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Tokyo Urges an End To U.S. Unilateralism

Official Decries Trade Sanctions

By Alan Friedman
International Herald Tribune

PARIS — Japan is calling for the United States to end its use of unilateral trade sanctions such as those threatened by Washington in disputes with countries ranging from China to Cuba, saying that such action is inconsistent with the rules governing world trade.

But a senior Japanese trade official acknowledged in an interview that Tokyo shares U.S. concerns about copyright piracy in China, and he disclosed that Japan had registered its own complaints during a bilateral meeting in Beijing last week.

The official, Hishashi Hosokawa, who holds a senior position in Japan's powerful Ministry of International Trade and Industry, said Tokyo was worried "because both parties, China and the United States, are getting more sensitive and more nervous."

He stressed that his government was "against unilateral action, which is inconsistent with the World Trade Organization."

The comments, made in a telephone interview over the weekend, appear to reflect an effort by Japan to take a more assertive role in foreign and trade policy.

"We are not saying that the United States is mistaken because they are faced with difficulties which we understand," Mr. Hosokawa said. "The question is how to solve the problem, and we never associate ourselves with unilateral actions at all. We look at U.S. unilateral actions with a high level of concern."

Mr. Hosokawa said Japanese diplomats would be delivering this message to their counterparts at various international meetings, starting with this week's minister-level meeting here of the Organization for Economic Cooperation and Development.

The Japanese trade official was referring to Washington's threat to impose prohibitive tariffs June 17 on $2 billion worth of Chinese-made clothing, electronics and sporting goods.

Last Friday, Secretary of State Warren M. Christopher said he hoped a solution would be found to avert the threatened sanctions.

Mr. Hosokawa also acknowledged that such Japanese companies as Sony had suffered from Chinese piracy. He disclosed that Japan had pressed Beijing in private on the issue.

In the interview, he also said of China's desire to join WTO that the Chinese "need to solve the copyright piracy question and other questions relating to their industrial policy, transparency, relations between local and central government and funds for state companies." (Page 9)

"Several days ago we registered our own concerns with the Chinese government, at the level of the vice minister of trade, Yoshihiro Sakomoto, who was in Beijing for our regular meeting at the vice-minister level," Mr. Hosokawa said. "We clearly indicated our concern in that meeting."

Mr. Hosokawa, 55, director-general of the trade policy bureau at MITI, also criticized as "unilateral and extraterritorial" U.S. legislation that would allow Americans to file lawsuits against foreign companies that benefit from confiscated property in Cuba.

"The Cuba question is not Japan's issue," Mr. Hosokawa said. "On Cuba, we face few problems ourselves. But this is a matter of principle, and our opposition to unilateral trade sanctions is also based on our own past experiences in areas such as autos and semiconductors."

Mr. Hosakawa said the issue of unilateral sanctions would be raised this week by Japan's trade minister, Shumpei Tsukahara, at the annual meetings here of the OECD.

Mr. Tsukahara will not single out the United States by name when he criticizes the principle of unilateral trade sanctions by any nation, Mr. Hosokawa said.

Nevertheless, the criticism of U.S. unilateral actions by Mr. Hosokawa marks an escalation in Tokyo's rhetoric. Last week Tomio Tsutsumi, a senior MITI official, described the U.S.

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Bosnian Serbs in Skugric waiting for a speech at a rally Sunday in support of Radovan Karadzic and his party.

Karadzic To 'Step Out' In Bosnia, Bildt Is Told

But Serb's Backers Insist Their Leader Is Still in Charge

By Stacy Sullivan
Washington Post Service

BANJA LUKA, Bosnia-Herzegovina — International mediators in Bosnia announced Sunday that Radovan Karadzic would step down as the "president" of the Bosnian Serbs, but representatives of the hard-line government in Pale insisted that their leader was still in charge.

The conflicting reports came in the wake of a five-day battle between Carl Bildt, who is in charge of overseeing the civilian aspects of the Bosnian peace accord signed last year in Dayton, Ohio, and the separatist leader who impedes that peace process at every opportunity.

Emerging from an intense round of talks in Belgrade with President Slobodan Milosevic of Serbia and the speaker of the Bosnian Serb Parliament, Momcilo Krajisnik, in Pale, Mr. Bildt announced that he had received assurances that Mr. Karadzic, who has been indicated for war crimes, would "step out of public life and will not be seen or heard."

A spokesman for Mr. Bildt's office said Mr. Bildt was seeking written acknowledgment of the assurances.

But sources in the Pale government said Mr. Karadzic had no intention of resigning. They said he had only delegated the authority to deal with the international community to his deputy, Biljana Plavsic, the Bosnian Serb vice president, a hard-liner who views are more extreme than Mr. Karadzic's.

Whether or not Mr. Karadzic has relinquished his position remains unclear, but the events of the last week have shown that the man whom the international community would like to see handed over to The Hague to face trial for war crimes still maintains a firm grip on power in the Serb Republic.

Mr. Bildt and leaders of other international organizations tried to isolate Mr. Karadzic by exploiting the rift between the northern city of Banja Luka and the village of Pale, where Mr. Karadzic and other hard-liners established the Bosnian Serb "capital."

They aimed to create a rival power base by supporting Prime Minister Rajko Kasagic, a moderate from Banja Luka who has embraced the peace accord and its goal of ethnic reintegration.

After Mr. Karadzic dismissed Mr. Kasagic on Wednesday, Mr. Bildt declared a "coup" against the peace agreement and said he would not recognize the dismissal.

At the time, Western diplomats said the stage had been set for a showdown between Mr. Karadzic's isolationist followers and Mr. Kasagic's moderate supporters. But the struggle never gathered any momentum.

Instead, Mr. Karadzic and his backers appointed a new prime minister, the former health minister Gojko Klickovic, who is unlikely to cooperate with the international community or step out of line with Mr. Karadzic's demands.

With the former prime minister ap-

See SERB, Page 6

Israelis Shell Southern Lebanon

By Douglas Jehl
New York Times Service

BEIRUT — Israel shelled civilian areas of southern Lebanon Sunday for the first time since fighting between its forces and Hezbollah guerrillas ended four weeks ago.

Syria, the major power broker in Lebanon, immediately accused Israel of violating the U.S.-backed cease-fire agreement.

The shelling was in retaliation for a morning attack by Hezbollah fighters on targets inside Israel's "security zone" in southern Lebanon. Two guerrillas were killed and one Israeli soldier wounded in that clash, the latest inside the zone in recent weeks. A Lebanese woman was injured in the retaliatory barrage, the first civilian wounded since the cease-fire took hold.

The agreement, which took effect on April 27, does not prohibit guerrilla attacks on military targets on Lebanese territory occupied by Israel. But it does prohibit attacks from or at civilian areas on both sides of the border. Syria, which has 35,000 troops in Lebanon, called the Israeli attack an unambigous violation of the accord.

Lebanese authorities said Israeli tanks fired several artillery shells into a cluster of villages north of Israel's occupation zone after the clash inside the enclave. They said the woman was taken to a hospital for surgery after one of the rounds hit a tree then landed on her foot.

While authorities here said three Lebanese villages came under fire Sunday, some suggested that Israel's decision to fire only specially designed solid shells — which contain neither fuses nor explosives — represented an effort to reduce the danger of civilian casualties.

The cease-fire, reached after intensive shuttle diplomacy by Secretary of State Warren M. Christopher, ended 16 days of fighting between Israel and Hezbollah, or Party of God, guerrillas that included Katyusha rocket attacks

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In Turkey, the Tug of History Is Loosening the Glue of Ataturk

By Celestine Bohlen
New York Times Service

ANKARA — Few countries honor their gods the way Turkey reveres Mustafa Kemal Ataturk, whose military skills and authoritarian hand reassembled parts of the crumbling Ottoman Empire and fashioned them into a modern Turkish state.

Fifty-eight years after his death, Mr. Ataturk's cool blue eyes stare down from the walls of every public building in Turkey, and statues of him dominate thousands of central squares.

Here in Ankara, the capital, his mausoleum, which is visited by thousands of Turks each year, displays a sublime arrogance that even Lenin, the founder of the Soviet state, never achieved. It is still a crime in Turkey to allude to Mr. Ataturk's personal weaknesses, like his heavy drinking. His philosophy of statehood, Kemalism, is required reading for all students.

For all the public reverence, Turkey long ago slipped out of the mold that Mr. Ataturk created. To be sure Turkey, NATO's strategic anchor in the eastern Mediterranean, is still the West's loyal partner. And as a Muslim country in a region full of Islamic dictators, it is still committed to secularism and democracy.

But Mr. Ataturk's plans for creating a new Turkish man — a Westernized creature with a new identity, new clothes, a new alphabet and a language purged of alien elements — did not succeed, any more than the Homo sovieticus of Lenin's imagination did.

Paradoxically, as the tug of Westernization gets stronger, older and deeper currents have risen to the surface, revealing a nation with not one identity, but many.

The breakup of the Soviet Union, the Gulf War and the war in the Balkans have only added new pieces to the mosaic, as ethnic groups in Turkey from Kurds to Abkhazians reach across borders to renew old bonds, and Turkish Muslims find themselves drawn to the side of their warring brethren in Bosnia and Chechnya. It had been Mr. Ataturk's hope that a new Turkishness would replace Islam and the bonds of the old Ottoman Empire as the glue binding the 14 million people who lived in Turkey in 1923, when the republic was founded.

Now, with a population that has grown to more than 60 million, Turkey is more heterogeneous than ever.

But Islam is also more in evidence than ever — more mosques, more religious schools, more women wearing scarves on their heads. In the last elections, a record number of people voted for the anti-secular Welfare Party, which is promoting a closer alliance with Turkey's Muslim neighbors.

In the back streets of Istanbul, men like Zekariya

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For India's New Rulers, Uneasy Days

By John F. Burns
New York Times Service

NEW DELHI — After a week when political fortunes swung wildly across the ideological spectrum from left to right, India is now awaiting a parliamentary vote that will determine whether the new rightist government of Hindu nationalists can somehow find the support it will need to survive.

After the first uneventful days in power that have soothed at least some of the anxieties that many Indians have felt about them, Prime Minister Atal Bihari Vajpayee and his ministers still face the likelihood of defeat in a confidence vote that must be taken by May 31. If they are ousted, the Hindu nationalists will probably be succeeded by a center-left coalition that was trumped in the race to form the government.

So far, the relief many Indians have expressed at the moderate stance being taken by the new government on the issues that have driven Hindu nationalist passions in the past, like relations with Pakistan, has not translated into any obvious break in their seemingly bleak prospects for survival.

Between them, a dozen groups in the center-left alliance and the Congress Party control nearly two-thirds of the seats in Parliament, and they continue to say that they will vote together to bring the Vajpayee government down.

Whether they do so seems to depend on two factors. One is the success of the

NEWS ANALYSIS

new government in so changing the public mood with their moderate stance on major issues that powerful interest groups begin to swing to their side.

To some extent, this seems to be already happening.

Business groups that worried about the Hindu nationalists' curbing the former government's program of market-based economic changes are starting to say that new Finance Minister Jaswant Singh, who spoke enthusiastically about reforms on his first day in office on Friday, may be just the man to carry them forward.

But mood modulation is not likely to be enough, and the only other avenue open to the nationalists — luring votes from the parties that have vowed to unseat them — is not too promising.

Paradoxically, the prospect of the new government's lasting barely two weeks has not excited many Indians who only a few days ago were worrying about the Hindu nationalists and their reputation for recklessness on matters at the heart of India's social and political cohesion.

Newspapers that warned against the nationalists during the election campaign that brought them to power have given wide coverage to some of the steps Mr. Vajpayee has taken to assuage his critics.

These include the appointment of a Muslim, Sikander Bakht, as the new urban affairs and employment minister

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Prime Minister Vajpayee making his way Sunday to a rally in New Delhi.

All the Tea in China Is Now a Cultural Rallying Cry

By Steven Mufson
Washington Post Service

HANGZHOU, China — Nestled on a plantation amid the serene hills on the edge of this city, the Chinese tea museum is a monument to a centuries-old passion in a country where shuffling clerks regularly refill hot water thermoses and office workers nurse cups with tea leaves floating lazily to the bottom.

But when the museum was tempted by a foreign tea company's lucrative proposal to paint an advertisement for its tea on top of the museum's water tower last December, it became a battleground for economic nationalists.

"Say 'no' to foreign tea," a local television program urged viewers. The program called on Chinese to spurn foreign tea in the name of their culture, tradition and national identity, comparing this struggle to the Opium War with Britain in the 1840s. A group of 10 tea experts drafted a New Chinese Tea Declaration that proclaimed: "People of China, drink Chinese tea."

When the administrators of the tea museum somewhat reluctantly turned down the ad deal, they were widely hailed. "Their resistance to the temptation of large sums of money was a daring action to meet foreign tea's challenge and thus safeguard the Chinese people's national pride and self-respect," said the Beijing-based Legal Daily.

The tempest at the tea museum here in Hangzhou, famed for its Dragon Well green tea, has spilled over into a broader debate about consumer loyalty, the allure of foreign goods and the survival of Chinese brands and companies.

Foreign domination over markets for such items as laundry detergent, blue jeans, toothpaste, tea, soda, pop music and automobiles has awakened a sense of economic nationalism and concern about the disappearance of famous Chinese brand names. The debate has extended to the challenge of preserving Chinese identity while following Deng Xiaoping's "open door" economic policies. "Since the Opium War, Western culture has knocked on our door many times," wrote a commentator in the Democracy and Law journal, fretting about the new Western impact on Chinese civilization. "Chinese people put up act after act of heroic and tenacious battle against foreign guns, foreign cannons and resistance to foreign products and foreign garbage."

Li Weimin, editor of the magazine China Top Brands, said in an interview while sitting in front of a Japanese-made Hitachi television set that "in the past, Chinese people were proud of the Great Wall and traditional culture and architecture."

"In the future," he said, "the Chinese people should use their creativity to come up with new products."

For years, shortages of consumer goods meant Chinese companies did not worry about marketing. And

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AGENDA

Fire Damage Cited on Plane

WASHINGTON (WP) — Investigators of the wreckage of ValuJet Flight 592 said Sunday that they had found fire damage on pieces of oxygen canisters and tires in the cargo hold, as well as evidence of thick smoke in the passenger cabin before the DC-9 plunged into the Everglades on May 11 with 110 passengers aboard.

They also indicated that as many as 119 charged canisters could have been loaded in a haphazard manner, each without a plastic safety cap. If accidentally discharged, each canister could produce sustained external heat of up to 500 degrees Fahrenheit (260 centigrade).

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Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

Man Who Ended the Cold War / **Indifference, Ridicule and Rancor**

Gorbachev's Lonely Run for Last Hurrah

By Alessandra Stanley
New York Times Service

STAVROPOL, Russia — The last leader of the Soviet Union stepped out of his car on the edge of his boyhood village and looked expectantly at the small group of people gathered.

"So, who is meeting me here?" he asked jovially. He looked closer and frowned as he recognized only Western reporters. "It's mostly foreigners. I want to see someone I know."

When two police officers walked over, the presidential candidate rushed to greet them, radiant at the chance to shake hands with real voters.

Once one of the most influential men of the century, Mikhail Gorbachev, 65, is running for public office for the first time in his life. Greeted at every stop by indifference mixed with ridicule and rancor, his is a crusade that has more to do with personal redemption than winning the presidency.

Revered by some in the West as the man who ended the Cold War, Mr. Gorbachev is viscerally disliked by most Russians, who, among other things, blame him for the collapse of the Soviet Union. Public opinion polls invariably give him about 1 percent of the vote. His chances of victory are nil.

Even in his tiny hometown of Prevolnoye (population 4,000), about 100 miles (160 kilometers northwest of Stavropol, old friends and neighbors express bewilderment and even contempt for his battle to return to the Kremlin.

But there is nothing mysterious about Mr. Gorbachev's quixotic attempt at a second act. Energetic and opinionated as ever, he is struggling to wrestle free of his forced retirement and restore his reputation. A man who loves and clearly misses the limelight, he is driven by a compulsion to rewrite history, as well as a deep, nourishing hatred for the two forces that he feels forced him out of power before his time — the Communist Party that dumped him, and Boris N. Yeltsin, who took his place.

He has an insatiable appetite for campaigning and media attention. And his ego has not shrunk in exile. Before a hostile audience in the nearby village of Krasnogvardeyskoye, he likened himself to Jesus.

"I will fight to the bitter end, even if you crucify me," he told hecklers in the audience.

"I am reminded of Jesus Christ on the way to Golgotha," he said of himself. "How he walked through the streets and people spat at him."

He tells voters that Mr. Yeltsin and his communist challenger, Gennadi Zyuganov, "are equally bad."

In his speeches, Mr. Gorbachev evinces a deep, personal loathing for Mr. Yeltsin, whom he refers to as "the betrayer" who "stabbed Gorbachev in the back."

He arrived in Prevolnoye accompanied, as he always is, by his wife, Raisa, glamorously turned out in designer sunglasses and bronze platform sandals. Even there his was not a festive, all-out hometown welcome.

A few old friends gathered outside his old house to say hello, and he and his wife gamely sat down to a simple dinner of crawfish, lamb stew and potatoes at a farm canteen with a dozen local officials and farm directors. But there were no crowds lining the streets, no parades or rallies.

"He's already been president," said Maria Gopkala, 62, a second cousin and neighbor who sat on a bench outside his family house and complained about the economic woes she said Mr. Gorbachev's reforms had wrought. "He's retired, let him rest. We're all for Zyuganov."

There was little sympathy in the audience in the district capital, Krasnogvardeyskoye, where Mr. Gorbachev gave a speech explaining how he tried to save the Soviet Union, but was betrayed by Communist hard-liners and Mr. Yeltsin's personal ambition.



Boris Bochstet/Agence France-Presse

Mikhail S. Gorbachev being harangued by an elderly peasant on the campaign trail. He takes the taunting in stride and vows, 'I will fight to the bitter end.'

It is the leitmotif of all his speeches. Mr. Gorbachev, who calls himself a social democrat, says little about his own election program, and he never goes into any depth about exactly how he would carry out his pledges to increase industrial and agricultural production, end the war in Chechnya and reform tax policy.

In something like a Russian version of talk therapy, he keeps revisiting the greatest crisis of his past. As he was explaining, for the second time, how Mr. Yeltsin and the Communist hard-liners who tried to oust him in the August 1991 coup undermined his efforts to preserve the Soviet state, an old woman stood up mid-speech and pointed her finger accusingly.

"You are blaming everyone except yourself!" she shouted. "You are responsible for what has happened, you personally!"

Mr. Gorbachev did not take umbrage — he gets similarly interrupted at almost every campaign event. He replied that he had personally fought to win her the freedom to express such views and ordered her to sit down.

Mr. Gorbachev wants badly to be loved again, but he doesn't seem to mind being hated. What upsets him the most is being ignored.

And mostly, he is. No national or local reporters from the Russian press covered his trip home — they rarely cover any of his campaign stops or speeches.

Local officials in Russia, many of whom cowered before him only a few years ago, seem to relish putting the fallen Communist leader in his place.

In Stavropol, where he was once an all-powerful party boss, the local administration snubbed him. The agricultural academy he attended as a youth rejected his request to address the faculty and students.

"He is disliked everywhere, but here most of all," said Pyotr Marchenko, the governor of Stavropol. Mr. Marchenko, who was appointed by Mr. Yeltsin, spoke in Moscow, where he was on a visit to Yeltsin campaign headquarters.

"We don't understand what's gotten into him," he added with a smirk. "I'm certain he gets the poll results, I'm certain. I think he has lost all touch with what real people think."

But Mr. Gorbachev offers a rationale for his campaign. "Even if I am not elected, if there are free elections Gorbachev will still have won, for this is what Gorbachev was fighting for."

COMING UP

One of the biggest, most talented, articulate, intelligent, open, colorful characters ever to inhabit the White House can also be an undisciplined, fumbling, obtuse, defensive, self-justifying rogue. A profile of President Bill Clinton, in two parts.

U.S. Navy Seems Adrift In a Sea of Troubles

By Bradley Graham
Washington Post Service

WASHINGTON — The suicide of Admiral Jeremy M. (Mike) Boorda, the U.S. Navy's top officer, has focused fresh attention on a prolonged series of troubles that have made the navy seem increasingly adrift. It has also added to a bitter debate over whether the top brass has responded properly to the difficulties or aggravated a string of bad luck by buckling to pressures from Congress and the press.

After the suicide, Defense Secretary William J. Perry moved quickly last week to hail the navy publicly as strong in its operations and still the best in the world.

By the most important measures a commander uses to assess his forces, the navy stands up well in comparison with the other armed services — executing foreign missions reliably, coping better than before with social changes, planning creatively for the future.

"Their performance in their mission over the three years I've been watching them very, very closely has been between excellent and outstanding," Mr. Perry said in an interview. "That is not a casual or Pollyanna-type statement."

But Mr. Perry also acknowledged that the navy has acquired an image of a service perpetually in trouble, and that this perception is now a problem.

"The navy has gotten so much unfavorable, adverse media attention in the last year that it is becoming a problem," the secretary said. "It has to affect morale. What I'm more worried about is the possibility it could affect leadership judgment, cause them to take actions that they would not otherwise be taking," including possibly "being too defensive."

After headlines about sexual misbehavior, Naval Academy scandals, aircraft crashes and other mishaps, the suicide Thursday of Admiral Boorda represented the service's darkest hour.

The man seen as the navy's best hope for shedding its black-sheep reputation, the officer chosen for the job in large part to apply his gregarious energy to lifting navy morale, in his final act compounded the navy's distress.

"It doesn't get any worse than this," said a senior admiral.

The navy's battered image appears to have played a central role in Admiral Boorda's decision to take his life. He shot himself through the chest at his home in the Washington Navy Yard less than two hours after being told that two magazine reporters were coming to the Pentagon to question him about whether he had worn combat decorations to which he may not have been entitled.

Admiral Boorda, 56, left two suicide notes, and at least one expressed concern that the controversy over his medals would cause a scandal and further besmirch the navy's image.

Naval officials said Admiral Boorda had also been unhappy over recent public criticism, including last month's blistering attack by the former navy secretary James H. Webb 3d. In a speech at the Naval Academy that drew an ovation from midshipmen and retired officers, Mr. Webb alleged that navy leaders had turned too politically timid and needed to begin fighting back against critics.

Mr. Webb denounced navy leaders for "killing morale down the chain of command" by failing to fight for careers of officers who in his view had been tarnished in overblown controversies. At one point, he referred unmistakably to Admiral Boorda, though not by name.

Top Pentagon officials found Mr. Webb's speech appalling, a throwback to the mindset of denial that characterized the navy's initial reaction to the 1991 Tailhook scandal. But stripped of its more extreme language trying to minimize Tailhook, Mr. Webb's message appears to have considerable resonance in the naval community.

"He's absolutely right about it being time for the leadership to stand up firmly," said Admiral Leon A. Edney, who retired in 1992 as commander of naval forces in the Atlantic. "We've become so sensitive to political criticism that we no longer stand up for what is right. We better get our beliefs right and start talking about them."

But any suggestion that the navy is so shell-shocked from years of glaring scrutiny that it has lost its bearings is hotly disputed by others who have run and are now running the service. They say trying to deal with such enormous modern-day challenges as integrating women into combat jobs and adjusting to post-Cold War missions — all at a time of smaller budgets, heightened military activity and intense public attention — is no easy task.

While the other services labor under many of the same pressures as the navy, none of the other services experienced anything like the string of disasters that plagued the maritime service in the late 1980s and early 1990s, redefining the navy's relations with Congress, the media and the public.

In 1988, the accidental downing of an Iranian commercial aircraft by the cruiser Vincennes in the Gulf killed 290 passengers and prompted questions about the navy's training and weapons procurement programs.

A gun turret explosion the next year aboard the battleship Iowa killed 47 crewmen and was followed by a botched investigation that left the navy's credibility in tatters. Officials tried to lay the blame on a dead sailor, alleging he was moved to blow up the ship after being spurned by another sailor.

A less-than-thorough initial investigation into the 1991 Tailhook scandal only deepened concerns about the service's ability to police itself.

The extensive publicity given complaints by female officers of being groped or assaulted by drunken naval aviators at the military convention in Las Vegas also cast doubt on the ability of navy men to accept women as equals.

"You get two or three of these incidents in a row, and the public's interest level suddenly gets real high," Mr. Howard said. "It's hard to get out from under. Every time some little thing goes wrong, the whole history of earlier disasters gets reported again."

Top defense officials say they see no fundamental flaws in the navy or its leadership, and it is difficult to find outside observers who do. But many agree the Navy has suffered an extraordinary run of difficulties.

Saudis Return to Yemen

Agence France-Presse

SANA, Yemen — Saudia Airlines will resume flights to San'a for the first time since Saudi Arabia accused Yemen of supporting Iraq during the 1990-1991 Gulf crisis, Saudi officials here have said. The first Saudia flight is scheduled for May 27, and two weekly flights are planned between Jidda, in western Saudi Arabia, and the Yemeni capital, the officials said.

Yemenia and Alyemen, the Yemeni airlines that merged Tuesday, have maintained their flights over the six years.

Ties soured between the two countries after Iraq invaded Kuwait in August 1990 and Riyadh accused San'a of supporting Baghdad.

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TRAVEL UPDATE

German Unions Call for Strikes

FRANKFURT (Reuters) — German public-sector unions vowed over the weekend to stage warning strikes this week in transportation, at hospitals and in other services to protest the government's plans to slash spending next year.

The OeTV union, which is demanding a 4.5 percent wage increase, said it would step up token strikes that could involve tens of thousands of workers a day across Germany.

"La Villa des Brillants," the country home of the French sculptor Rodin, will open to the public this month in Meudon, France, giving visitors a peek at hundreds of plaster sculptures that have been stored in the basement since the artist's death in 1917. *(AP)*

This Week's Holidays

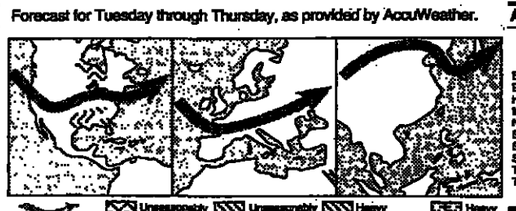
Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Cameroon, Canada, Colombia, Venezuela.
TUESDAY: Chile.
WEDNESDAY: Sri Lanka, Yemen.
THURSDAY: Israel, Jamaica, Morocco.
FRIDAY: Belize, Bermuda, Bulgaria, Burma, Ecuador, Israel, South Korea, Madagascar.
SATURDAY: Argentina, Chad, Guinea, Jordan, Mali, Mauritania, Namibia, Zambia, Zimbabwe.

Sources: J.P. Morgan, Reuters, Bloomberg.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



North America
The first heat wave of 1996 will come to an end the middle of the week from New York City to Washington, D.C., perhaps accompanied by a thunderstorm. Comfortable with sunshine in Los Angeles Tuesday and Wednesday, then turning much warmer Thursday.

Europe
Cloudy and cool with occasional rain in London and Amsterdam Monday through Wednesday. Paris will be cool and windy with some sun Monday, but showers are likely Tuesday and Wednesday. Madrid and Rome will be partly sunny and nice.

Asia
Seoul and most of Korea will have variable cloudiness with occasional showers through midweek, while Beijing will be dry and warm with some sunshine. Tokyo will have some sun early in the week, but clouds and showers will spread eastward across Japan late Tuesday and Wednesday.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	18/64	12/53 c	21/70	12/53 pc
Amsterdam	14/57	9/48 pc	14/57	9/48 c
Ankara	28/79	10/50 s	32/89	17/62 pc
Athens	31/88	22/71 s	31/88	22/71 pc
Barcelona	23/71	14/57 pc	22/71	13/55 pc
Belgrade	31/88	15/59 s	28/82	15/59 pc
Berlin	17/62	6/43 c	18/64	7/44 c
Brussels	15/61	5/41 pc	18/61	6/43 c
Budapest	24/75	11/52 sh	23/73	12/53 pc
Copenhagen	21/70	8/46 t	17/62	5/43 c
Costa Del Sol	21/70	16/61 c	23/73	15/59 pc
Dublin	12/53	4/39 sh	13/55	6/43 sh
Edinburgh	12/53	7/44 sh	13/55	8/48 c
Florence	22/71	13/55 pc	24/75	13/55 pc
Frankfurt	21/70	5/43 c	19/66	7/44 c
Geneva	18/64	8/46 c	18/64	8/46 c
Helsinki	14/57	6/43 s	14/57	6/43 c
Istanbul	28/82	16/61 s	28/82	18/64 pc
Las Palmas	22/71	17/62 pc	23/73	17/62 pc
Lisbon	18/64	12/53 c	19/66	13/55 pc
London	16/61	8/46 sh	14/57	4/39 c
Madrid	17/62	7/44 c	21/70	7/44 c t
Milan	21/70	12/53 c	23/73	12/53 pc
Moscow	21/70	12/53 pc	20/68	8/46 pc
Munich	16/61	5/43 t	18/64	8/46 c
Nice	19/66	13/55 pc	21/70	13/55 c
Oslo	9/48	4/39 r	19/66	7/44 sh
Mallorca	22/71	16/61 pc	21/70	15/59 pc
Paris	15/59	6/43 r	16/61	7/44 c
Prague	17/62	5/41 r	17/62	7/44 pc
Reykjavik	9/48	7/44 r	13/55	7/44 pc
Rome	21/70	11/52 pc	25/77	14/57 pc
St. Petersburg	16/61	4/39 s	17/62	4/39 pc
Stockholm	18/61	7/44 s	18/64	8/46 pc
Strasbourg	18/64	6/43 c	18/64	7/44 c
Tallinn	14/57	5/43 s	13/55	6/43 c
Venice	22/71	14/57 c	23/73	14/57 pc
Vienna	17/62	9/48 t	20/68	11/52 pc
Warsaw	24/75	10/50 sh	18/64	8/46 pc
Zurich	18/64	7/44 c	19/66	8/48 pc

Oceania

Auckland	20/68	14/57 pc	21/70	14/57 pc
Sydney	18/64	9/48 pc	20/68	11/52 pc

Middle East

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Abu Dhabi	39/102	25/79 s	37/98	23/73 s
Beirut	24/75	18/66 pc	28/82	21/70 pc
Cairo	31/88	17/62 s	34/93	19/66 pc
Damascus	31/88	13/55 s	31/88	17/62 s
Jerusalem	24/75	15/59 s	27/80	17/62 pc
Luxor	43/109	20/68 s	43/109	22/71 pc
Riyadh	43/109	28/79 pc	41/106	25/77 s

Africa

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algiers	22/71	15/59 s	23/73	15/61 pc
Cape Town	27/80	17/62 s	25/77	14/57 pc
Casablanca	22/71	13/55 s	23/71	13/55 pc
Harare	27/80	12/53 pc	27/80	11/52 pc
Lagos	31/88	26/79 t	32/89	26/79 pc
Nairobi	23/73	14/57 pc	23/73	13/55 pc
Tunis	23/73	16/61 pc	27/80	16/61 pc

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Bangkok	37/98	24/75 t	34/93	28/79 pc
Beijing	28/82	13/55 t	31/88	18/66 pc
Hong Kong	28/82	23/73 pc	29/84	24/75 pc
Manila	32/89	27/80 r	34/93	26/79 t
New Delhi	37/98	24/75 s	42/107	28/79 s
Seoul	19/66	9/48 r	20/68	11/52 pc
Shanghai	28/79	17/62 pc	30/86	17/62 pc
Singapore	33/91	25/79 pc	34/93	24/75 pc
Taipei	28/82	20/68 pc	29/84	21/70 pc
Tokyo	20/68	11/52 pc	19/66	11/52 pc

Latin America

Buenos Aires	15/59	9/48 pc	19/66	9/48 pc
Caracas	31/88	25/77 pc	32/89	25/79 pc
Lima	21/70	17/62 pc	22/71	17/62 pc
Mexico City	25/77	13/55 c	27/80	14/57 pc
Rio de Janeiro	28/82	20/68 pc	29/84	19/66 pc
Santiago	13/55	2/35 pc	16/61	3/37 pc

North America

Anchorage	14/57	3/37 pc	12/53	2/35 pc
Atlanta	33/91	21/70 s	29/84	21/70 pc
Boston	32/89	21/70 s	28/82	14/57 pc
Chicago	27/80	13/55 t	25/77	13/55 pc
Denver	22/71	7/44 s	25/77	9/48 s
Detroit	29/84	15/59 t	25/77	13/55 c
Honolulu	31/88	21/70 pc	29/84	23/73 pc
Houston	32/89	22/71 pc	33/91	21/70 pc
Los Angeles	27/80	14/57 s	28/82	14/57 pc
Miami	31/88	25/77 s	31/88	25/77 t
Minneapolis	25/77	12/53 pc	23/73	12/53 pc
Montreal	24/75	10/50 t	23/73	10/50 t
Nassau	30/86	24/75 pc	32/89	24/75 pc
New York	34/93	22/73 s	32/89	16/61 pc
Phoenix	39/102	23/73 s	41/106	23/73 s
San Fran.	21/70	11/52 s	21/70	12/53 pc
Seattle	16/61	7/44 r	16/61	9/48 r
Toronto	28/82	9/48 t	22/71	9/48 t
Vancouver	18/61	7/44 sh	17/62	8/48 s
Washington	37/98	23/73 s	33/91	17/62 t

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, f-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

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Clinton, Endorsing Wisconsin's Welfare Plan, Beats Dole to the Punch

By Judith Havemann
Washington Post Service

WASHINGTON — President Bill Clinton has endorsed a revolutionary Wisconsin plan to abolish welfare, moving to preempt a major welfare address the presumptive Republican nominee, Bob Dole, has scheduled Tuesday in the same state.

Mr. Clinton's embrace of the most radical of the state-welfare plans left Republicans scrambling to respond.

Wisconsin's new program, which needs Clinton administration approval, would eliminate Aid to Families with Dependent Children, the main welfare program.

It would require every adult recipient to work — if necessary, in community service jobs or sheltered workshops, workplaces for handicapped or disadvantaged employees. It has the makings of a "solid, bold welfare reform plan," Mr. Clinton said in his weekly radio address.

"We should get it done," he said, and told Congress that if it sends him a bipartisan welfare reform bill, "I'll sign it right away."

Mr. Clinton — who has vetoed two congressional welfare bills — said he was reforming welfare without congressional action by waiving outmoded federal rules and allowing states to build effective welfare reforms of their own. Since he took office, the number of welfare recipients has declined by 1.3 million, he said. There are now 12.8 million people on welfare.

"The state-based reform we've encouraged has brought work and responsibility back to the lives of 75 percent of the Americans on welfare," the president said.

Critics of Wisconsin's welfare reform proposal have expressed concern for the children whose parents fail to participate in the work program, saying the result could be disastrous for some of the state's neediest and most vulnerable citizens. And opponents of the plan say that jobs could evaporate if Wisconsin's booming economy turns sour.

Mr. Clinton's speech Saturday came only three days before Mr. Dole was to lay out his views on welfare in a major address in Wisconsin. Representative John A. Boehner of Ohio, who is chairman of the House Republican Conference, called Mr. Clinton's speech a "cynical deception."

"For three years Bill Clinton has been a noncombatant in the battle for welfare reform," Mr. Boehner said. "He has preserved welfare as we know it with his two vetoes and has never allowed a single state to impose a real time limit on welfare recipients."

A spokesman for the House Ways and Means Committee, Ari Fleischer, said Mr. Clinton was playing politics by endorsing the Wisconsin welfare reform. "One lesson is becoming very clear," he said. "If you want Bill Clinton to approve your welfare reform plan, bring Bob Dole to your state."

The Wisconsin welfare plan goes beyond welfare reform experiments in the 38 states where Mr. Clinton has already issued waivers of federal rules because it limits assistance to five years without guaranteeing that families would receive vouchers or other forms of aid after that.

The Clinton administration has not granted a statewide welfare reform waiver request that doesn't have some kind of a safety net for families who run up against the time limit.

Mr. Clinton said the Wisconsin plan was an improvement over the two bills he vetoed because it provided child care and health care for families required to go to work.

When the president issued what Republicans called his "stealth veto" of one welfare reform bill on the night of the January snowstorm that closed down Washington, he said it was "too burdened with deep budget cuts" and "did too little to move people from welfare to work."

The measure would have cut $60 billion from the projected costs of welfare programs, and "made massive structural changes in a variety of programs including foster care and adoption assistance, help for disabled children, legal immigrants, food stamps and school lunch," Mr. Clinton said in his January veto message.

He also criticized it for failing to guarantee health care coverage for the poor and for skimping on child care funds to help parents to work.

The Wisconsin plan is not linked to changes in federal programs such as school lunches, food stamps or aid to legal immigrants because these are matters of national, not state, law.

The White House spokesman, Michael McCurry, said the Wisconsin welfare plan was "the most revolutionary that any state has put forward."

It would provide four options for a person seeking assistance: unsubsidized employment; trial jobs in which wages would be subsidized by the state; community service jobs for those who need to practice the work habits and skills necessary to be hired by a private business; and "transitions" for parents to "engage in work activities consistent with their capabilities, such as sheltered workshops."

Transitional jobs can be extended on a case-by-case basis for families incapable of other work.

POLITICAL NOTES

Endangered Species in South

HUNTSVILLE, Alabama — Representative Bud Cramer's life began to change in late August 1994, when he voted for an anti-crime bill that included a partial ban on semiautomatic "assault" weapons.

Returning here to the home of his father and grandfather, the Alabama Democrat found that some of the men and women who had voted for him over the years would not look him in the eye, convinced that his first and only vote for gun control had violated his roots and region.

"People kind of didn't want to see me," said the three-term Democrat. "It wasn't that they were outright hostile, it was like they weren't focusing on me. They were looking at this system of government, and Democrats took the brunt of it. 'We don't like the way it's been working, don't like Bill Clinton; we are frustrated, and we are going to send them a message.' "

Mr. Cramer, who won his first two elections with 66 percent and 67 percent of the vote, was re-elected in 1994 with 50.5 percent. This November he will once again fight for his political life, because after 120 years the days when it was simply assumed that a Democrat would represent North Alabama in Congress are over.

And Cramer is hardly alone. For the first time since Reconstruction, in the arc of Deep South states running from Louisiana through North Carolina, there are no safe seats for the white Democrats who once made up perhaps the most powerful bloc in Congress. *(WP)*

Dole Campaign Short on Funds

WASHINGTON — The Dole for President campaign says that, as of the beginning of May, it has spent all but $177,000 of the money it can legally use between now and the Republican National Convention in August.

The Dole campaign said it would generate additional money to spend during the primary season by selling assets such as computer and telephone equipment and television footage to the general election campaign, reaping another $1.2 million.

Clinton campaign officials called Bob Dole's estimate of what he could sell to the general election campaign wildly inflated and said their assessment of his spending figures showed that the campaign probably already had exceeded the legal spending limit of $37.1 million.

As a condition of receiving federal matching funds, Mr. Dole — like President Bill Clinton — agreed to spend no more than $37.1 million during the primary season. After their party conventions, the nominees start again — with $62 million in public funding. *(WP)*

Quote/Unquote

Hillary Rodham Clinton, in a commencement address at Drew University in New Jersey: "One of the great dangers at a time like this is to seize upon easy answers, to use generalizations and stereotypes to describe the world and to describe people who are unlike ourselves. If you're a liberal, you're a bleeding heart; if you're a conservative, you have no heart. If you're the current serving president, you're accused of being all of the above, depending on what day it is. And if you're the wife of the current serving president, you have to worry about your hair a lot." *(AP)*



Nathan Gassmitz/The Associated Press

FIRES IN WEST — A tanker plane dropping a chemical on a forest fire that burned 1,700 acres near Flagstaff, Arizona. Another fire in Colorado burned 10,000 acres.

Fujimori Losing Support Of Rich and Poor in Peru

By Calvin Sims
New York Times Service

LIMA, Peru — Along dingy Los Heroes Avenue, where thousands of street vendors eke out a meager living hawking everything from tires to toilet paper, the talk is of little else but President Alberto K. Fujimori, whose name is often taken in vain.

"What has the Chino done for me, you ask?" said José Ramos Vetery, 40, who had only a broken radio for sale on his display table. "Nothing. There is no work, and no one has money to buy."

Ten miles away but a world apart, in the trendy bars and cafes of the wealthy Miraflores district, professionals and intellectuals also express frustration with the "Chino," as Mr. Fujimori is known because of his Asian ancestry.

"He's a dictator," said Juan Medina, a doctor. "This is supposed to be a democracy, but only one man has the power."

Mr. Fujimori, who was overwhelmingly elected to a second term last year after defeating the Shining Path guerrillas and curbing hyperinflation, has plummeted in popularity in recent months as Peruvians have expressed growing discontent with record unemployment, persistent poverty, fiscal deficits and his concentration of power. More than half of Peru's 24 million people live in poverty, 85 percent of the work force do not have full-time jobs and 93 percent of children do not have access to school books.

"The country gave Fujimori an award for stopping terrorism and controlling hyperinflation, and that prize was re-election," said Carlos Chipoco, a congressman with the opposition Union for Peru party.

"But now the people want much more," he said. "They want real jobs. They want education for their children. And more than anything, they want a future that is not dependent on just one single man."

In the year since his re-election, Mr. Fujimori's approval rating has declined — to 61.7 percent in April, from a record 79.9 percent in April 1995 just before the election was held, according to an opinion poll conducted by Imasen, a leading polling company.

While a 60 percent approval rating indicates that Mr. Fujimori is still quite popular in Peru, an 18-point drop also shows that Peruvians are frustrated with his policies, said Giovanna Penaflor Guerra, general manager of Imasen.

"In many respects, democracy has matured in Peru such that people now feel that they can demand specific things of this government," Mrs. Penaflor said. "Peruvians no longer feel that Fujimori is their only option. The opposition now has a chance to put forth a real challenge."

For his part, Mr. Fujimori, who promised to make the fight against poverty the main priority of his second term, said he was not worried about the drop in his popularity, which he attributed to the slowing of Peru's economy and a reduction in public spending.

"I do not govern for popularity," Mr. Fujimori said in an interview. "I govern only for the national interests, and if I have to make hard decisions that are unpopular, I plan to make them. When people see the results, they will recover their level of optimism."

Mr. Fujimori maintains that his plan for combating poverty and creating jobs is progressing, despite the reduction in public spending. "I'm not saying that we will eradicate poverty in the same way that we ended terrorism, but we will make it less painful," Mr. Fujimori said. "We will relieve it."

AMERICAN TOPICS

The State Dept. Is Annoyed

The State Department has taken strong exception to a report by the General Accounting Office, the investigative arm of Congress, suggesting that high-ranking diplomats abroad live in "unneeded" palaces that would bring a windfall for taxpayers if sold.

"We're just not going to sit here and take this," said an exasperated Nicholas Burns, the State Department spokesman.

The suggestion in the report and in media accounts that U.S. diplomats are living in splendor touched a nerve. Officials prefer to talk about envoys forced to live under Marine guard protection, like Ambassador William Milam in Liberia. The report says it costs the taxpayers $100,000 a year to maintain the American consul-general's residence in Bermuda and $500,000 a year for the ambassador's residence in Buenos Aires.

"Wrong," said Mr. Burns. He said the correct figures are $38,000 and $109,000 a year. "We don't have any palaces," he said. "That's not in the American tradition."

At the same time, he said: "I don't think the American people want our diplomats to live in third-floor, walk-up efficiency apartments, especially our ambassadors overseas. Our ambassadors deserve to live in places that reflect the power of the United States."

Short Takes

Nipped by a baby black bear, 7-year-old Juliette Harris of Pinos Altos, New Mexico, is taking rabies shots so the cub will not have to be killed. Juliette picked up the 8-pound (3.5 kilogram) cub in the woods and was lugging it home when it bit her hand. When state heath officials said the bear would have to be killed so it could be examined for rabies, Juliette said she would take seven rabies shots through a 5-inch needle if the bear was spared. "Those needles hurt," she said after having had five of seven shots, "but not that bad." Her parents are paying for the shots, totaling more than $1,500. The female cub, whom Juliette has named "Stubby," is being cared for by a wildlife rescue service. It has shown no sign of being rabid.

Three chefs in San Diego, California, became violently ill after eating contaminated fugu, a Japanese delicacy that is illegal in the United States and can be deadly when incorrectly prepared, the Federal Centers for Disease Control and Prevention reported. It said the three men got the fugu — also known as blowfish or puffer fish — from a colleague who smuggled it into the United States from Japan. They became sick from tetrodotoxin poisoning within minutes of eating as little as one quarter of an ounce (7 grams) of the fish, which was bought pre-packaged and ready to eat. The men were treated at a hospital and released the next day.

International Herald Tribune

Away From Politics

• **The U.S. space shuttle Endeavour roared off its Cape Canaveral, Florida, launch pad at dawn Sunday, beginning a 10-day mission to test an inflatable antenna the size of a tennis court and study tens of thousands of tiny sea creatures.** *(Reuters)*

• **A prototype reusable rocket,** intended as a forerunner of the space shuttle's replacement, briefly burst into flames after completing its first flight at the White Sands Missile Range in New Mexico. Damage was superficial and the flight was a success, officials said. The rocket lifted off and soared 800 feet (250 meters), maneuvered sideways for about 350 feet, then descended vertically on its four columns of blue exhaust flames. After touching down, the rocket was enveloped in flames, although it remained upright. *(AP)*

• **A fugitive who was on the FBI's Ten Most Wanted list for six years surrendered** to U.S. authorities in Guatemala after his picture was seen on the Internet, the FBI said. The bureau said this was the first time that listing the most wanted fugitives on the Internet had led to a capture. Leslie Isben Rogge, 56, had escaped from federal custody in Idaho in 1985 following a conviction for armed robbery. His picture on the Internet, on the FBI's home page, was spotted by someone in Guatemala who had seen him and alerted authorities. *(AP)*

• **Negotiators reached a tentative agreement on a "major issue" that could end the 55-day standoff** between the FBI and the anti-government Freemen near Jordan, Montana, according to Charles Duke, a Colorado state senator. *(AP)*

Runoff Is Set In Dominican Presidential Vote

Reuters

SANTO DOMINGO, Dominican Republic — Dominicans will have to vote in a runoff election next month to choose between two center-left candidates as their next president, according to electoral authorities.

José Francisco Peña Gómez, of the Dominican Revolutionary Party, won Thursday's first-round ballot but failed to obtain an outright majority and will face Leonel Fernández of the Dominican Liberation Party in the June 30 runoff.

Mr. Peña Gómez obtained 45.8 percent of the votes. Mr. Fernández, his closest rival, got 38.8 percent.

Ecuadorans Voting for President

The Associated Press

QUITO, Ecuador — Ecuadorans voted Sunday for a successor to President Sixto Duran-Ballen, whose administration has been plagued by social protests and corruption scandals.

About 6.6 million Ecuadorans were registered to vote, with nine presidential candidates ranging from rightist to Marxist seeking to replace Mr. Duran-Ballen, who is 74. Only four hopefuls were given a chance of winning many votes.

If no candidate receives a majority, there will be a runoff in July between Sunday's two top vote gatherers.

The front-runner in the race was Jaime Nebot, 49, a conservative former provincial governor from Guayaquil, Ecuador's largest city. Mr. Nebot had around 30 percent support in opinion polls.

Abdala Bucaram, 44, a fiery orator and populist former mayor of Guayaquil, was running in second place, with opinion polls showing a vote of less than 20 percent. He was followed closely by Freddy Ehlers, 50, a television producer supported by a center-left coalition that included Ecuador's highly organized Indian movement. Rodrigo Paz, 61, a centrist former mayor of Quito, was in fourth place.



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ASIA/PACIFIC

Taiwan Chief to Reject Calls for Independence

Inauguration Aims to Soothe Beijing

Compiled by Our Staff From Dispatches

TAIPEI — President Lee Teng-hui of Taiwan, in his inaugural address Monday, will say he is willing to visit China for talks, but will vow to continue raising the island's international profile despite protests and pressure from Beijing.

According to a text of the speech made available Sunday by the president's office, he will say it is "unnecessary and impossible" for Taiwan to seek independence from China.

"In the future, at the call of my country and with the support of its people, I would like to embark upon a journey of peace to mainland China," the text says.

"I am also ready to meet the top leadership of the Chinese Communist Party for a direct exchange of views in order to open up a new era of communication and cooperation between the two sides."

On the eve of Mr. Lee's inauguration, 10,000 supporters of Taiwan independence marched through central Taipei calling for the founding of a Republic of Taiwan.

An organizer of the march, Lin Shan-tien, accused Mr. Lee of catering to independence supporters during the election campaign, only to return afterward to a pro-reunification stance.

Mr. Lee will take the oath of office on Monday with his vice-presidential running mate, Lien Chan, kicking off a daylong celebration of the fledgling democracy that Mr. Lee helped bring to Taiwan despite threats from across the strait.

Mr. Lee, who won the March 23 election with 54 percent of the vote, will make clear in his speech that he does not plan to back down from Beijing.

"Today, the existence and development of the Republic of China on Taiwan has won international recognition and respect," the text reads, adding: "We will continue to promote pragmatic diplomacy in compliance with the principles of goodwill and reciprocity.

"By so doing, we will secure for our 21.3 million people enough room for existence and development as well as the respect and treatment they deserve in the international arena," he adds.

China, angered by Mr. Lee's moves to raise Taipei's international profile, held military exercises in the Taiwan Strait and fired verbal salvos at Mr. Lee before the election in an attempt to intimidate the electorate.

Beijing regards Taiwan as a renegade province not entitled to international relations. It has vowed to attack if Taiwan tries to move toward independence.

Mr. Lee has been accused by China of being a closet supporter of independence. In the speech he denies the charge but asserts the island's sovereignty.

"The Republic of China has always been a sovereign state," his speech says. "Disputes around the strait center around system and lifestyle; they have nothing to do with ethnic or cultural identity. Here in this country it is totally unnecessary or impossible to adopt the so-called course of 'Taiwan independence.'"

Although insisting that he supports reunification, he says that it must be reached under a democratic system.

Democracy "stands for not just a proud achievement of our 21.3 million people," he says in the speech, "it marks a crucial departure for the Chinese people to rise again to a new height of glory."

He adds, "I am convinced that during the next century the Chinese people will be able to achieve the historic enterprise of peaceful unification." *(Reuters, AP)*



Bobby Yip/Reuters

Taiwanese at ceremonies in Taipei on Sunday for foreign leaders arriving for Monday's inauguration.

China Orders Crackdown in Tibet Unrest

Reuters

BEIJING — China has ordered police in Tibet to stamp out a campaign of "terrorist" bombings by groups that support the exiled Dalai Lama and oppose Chinese rule, the Tibet Daily said.

In a front-page editorial, the government newspaper called on policemen in the region to step up their crackdown on separatists and criminals amid reports of anti-Chinese protests and the sealing off of monasteries.

"In the 'Strike Hard' crackdown on crime we must relentlessly pursue and show no mercy to those splittists who transport, steal and hide explosives and firearms," the newspaper said.

The rare admission of armed unrest in the tightly controlled region followed several reports of isolated bombings in and around the capital, Lhasa.

The newspaper said the crackdown on crime should include a campaign to strike at pro-independence forces loyal to Tibet's exiled spiritual leader, the Dalai Lama, with the death penalty imposed whenever warranted.

Most monasteries near the Tibetan capital appeared to have been sealed off after reports of a disturbance in the city last week, according to a Western tourist in Lhasa reached by telephone.

The London-based Tibet Information Network, which is in touch with dissenters in the region, said in a report that up to 80 people, at least 30 of them women, had been injured in a clash with authorities on May 14.

"There has been some kind of disturbance," the tourist said. "I heard about 40 people were hurt."

Many temples were closed, he said.

Lhasa residents said Saturday that Chinese officials had sealed off Ganden monastery, one of Tibet's largest, after anti-Chinese protests by monks in which dozens were reported arrested.

One monk was shot and wounded by the police after fighting broke out and monks threw rocks. The 15th-century mountain-top monastery is 40 kilometers (25 miles) east of Lhasa. Demonstrations erupted after officials on May 7 tried to impose regulations banning the display in temples of photographs of the Dalai Lama.

BRIEFLY ASIA

Korean Students Protest

SEOUL — Thousands of students clashed with policemen for the second straight day on Sunday, demanding that Washington accept some responsibility for a 1980 crackdown on anti-government protesters.

Some 2,000 students chanted, "America apologize!" and "Americans go home!" after the police blocked them from marching on the American Cultural Center in Kwangju, 270 kilometers (155 miles) south of Seoul.

The police fired volleys of tear gas when students refused to disband. Students fought back by hurling rocks, witnesses said. No serious injuries or arrests were reported.

Over the weekend, tens of thousands of students and dissidents gathered in the southern city to commemorate the 240 or more people killed there in the crackdown of May 18, 1980. On Saturday, 3,000 students rallied in front of the U.S. Embassy in Seoul.

Activists contend that Washington condoned the deployment of South Korean paratroopers when tens of thousands of people rose up in Kwangju in 1980 to demand an end to military rule. Washington has denied this. *(AP)*

Malaysian Inmates Riot

KUALA LUMPUR — Some 760 inmates complaining about food and their guards rioted at a drug rehabilitation center and set fire to seven buildings, the local police said Sunday.

About 180 of the inmates escaped in the rioting Saturday night, but about 25 had been recaptured by Sunday evening, said Kamaruddin Hamzah, police chief of Kelantan state.

No injuries were reported in the rioting in Jeli, 450 kilometers northeast of here. *(AP)*

Jailed for a Fax Machine

RANGOON — An Anglo-Burmese businessman friendly with the opposition leader Daw Aung San Suu Kyi has been sentenced to three years in jail for owning unauthorized telephones and fax machines.

James Leander Nicholas, also known as Leo Nichols, was punished for having two fax machines and a telephone switchboard with nine lines in his home, a spokesman for Aung San Suu Kyi's political party said.

In an effort to discourage contact between Burmese citizens and the outside world, Burma's military government requires people to get permission to own a fax machine, satellite dish or sophisticated phone system.

Burmese dissidents said Mr. Nicholas was singled out because he was a friend of Aung San Suu Kyi and had lent a car to her. *(AP)*

40 Dead in India Clashes

GUWAHATI, India — Tribesmen fought with guns and poison-tipped arrows Saturday in the fourth day of violence that has killed 40 people and destroyed 38 villages in a remote northeastern state. Twenty bodies were recovered Saturday from a Friday night battle between Bodo and Santhal tribespeople in Assam state, according to the police in Guwahati, the state capital.

Tens of thousands of people were left homeless when the rioters burned down mud-and-thatch huts. Many took shelter in 10 relief camps, while thousands of others fled to the neighboring state of West Bengal, said Rajendra Mushahary, state government minister for tribes.

About 5,000 paramilitary soldiers were being sent to the site of the clashes in the northwestern part of the state. *(AP)*

VOICES From Asia

Prince Norodom Ranariddh, *Cambodia's co-prime minister, on the murder of the journalist Thun Bunly:* "I strongly condemn such a savage and inhumane act. This barbarous act deeply affects the freedom of the press, freedom of expression and liberal democracy in Cambodia, which I firmly promote and support." *(AFP)*

Begum Khaleda, *former prime minister of Bangladesh, who was forced from office and into a new election campaign by an opposition drive against vote rigging:* "The caretaker government is behaving like a partisan government. If it goes on harassing our partymen, then we shall be compelled to boycott the election." *(Reuters)*

CHINA: *Tea Is Now a Cultural Rallying Cry*

Continued from Page 1

instead of relying on creativity, they leaned on the government. Now, over-staffed, poorly managed, saddled with old equipment, ill-versed in advertising, lacking their own distribution channels and desperately in need of capital, Chinese companies are overwhelmed by foreign brands.

In the cities of Beijing, Shanghai, Guangzhou and Chengdu, foreign brands control 85 percent of the shampoo market, 72 percent of the chocolate market and 81 percent of the carbonated soft drink market, according to Frank Small & Associates, a Hong Kong-based market-research firm. Coca-Cola Co., which sold its first sodas here in 1979, sold 2.4 billion cans in 1993.

The crisis has been of China's own making. For most of the Communist era, manufacturers focused on meeting production quotas; quality was not a concern. Now, after years of buying shoddy Chinese goods, Chinese consumers associate foreign goods with higher quality.

Lately, Chinese companies are trying to win government sympathy and protection from foreign giants, although government policy is to open the market further, a condition for gaining admission to the World Trade Organization. But even a quality Chinese brand would struggle against such formidable foreign competitors as Coca-Cola, Procter & Gamble, Unilever, Hitachi and General Motors.

Foreign companies can bring a lot more muscle to their marketing here and gain wider name recognition. According to the Gallup Organization, more than 60 percent of Chinese recognize the Hitachi, Coca-Cola and Panasonic logos.

One solution for the Chinese companies: If you can't beat 'em, join 'em. That is what Sichuan Province's Tianfu cola did in 1994, becoming the seventh of eight Chinese cola companies to sell controlling interests to foreign concerns. Tianfu's top executive, who once vowed to fight foreign colas for the Chinese market, let Pepsi Cola buy 60 percent of his factory and the Tianfu name.

For this the company's top executive was called a traitor by many Chinese, who suspect Pepsi will eventually let the Tianfu name wither and die.

The Chinese detergent Power 28 is a more recent case. The popular brand based in Hubei Province recently sold out to Joh. A. Benckiser GmbH, a privately held German conglomerate.

"The Chinese detergent market is no longer a Chinese market, it's an international market," said Laurence J. Brahm, managing director of Naga Group Ltd., a consulting firm. "The game has changed radically. You need advertising firepower, and without that you will go under."

INDIA: *Uneasy Days for Rulers*

Continued from Page 1

in an interim cabinet that has only 12 members. Behind the appointment of Mr. Bakht, there were crosscurrents that were not so reassuring to those who see the management of Hindu-Muslim relations as the litmus test for the new government.

Within hours of his appointment on Wednesday, Mr. Vajpayee said that the government planned to press ahead with the construction of a temple dedicated to Rama, a Hindu god, on the site of a Muslim shrine that was destroyed by a Hindu mob in December 1992.

That incident, at Ayodhya in the northern state of Uttar Pradesh, touched off the worst Hindu-Muslim rioting across India since the subcontinent was partitioned in 1947.

As they wait to see whether the Hindu nationalist government will become a political footnote, Indians have been left to contemplate the example of political probity — or stubbornness, as some alliance leaders saw it — set by the country's main Communist leader, Jyoti Basu.

At one point this week, the reluctance of Mr. Basu, 81, to become prime minister in a government the Communists would not control was all that stood between the alliance and an almost certain summons to power from President Shankar Dayal Sharma.

After wavering, Mr. Basu called the politburo of his Communist Pary of India (Marxist) into session and accepted their decision to turn down the only opportunity they have ever had to be part of a government in New Delhi.

Mr. Basu returned to Calcutta, where he has just been brought back to power as chief minister of West Bengal state, telling reporters that he had no regrets.

Fear of Violence Rising in Japan

But Danger Remains Minimal

By Nicholas D. Kristof
New York Times Service

YOKOHAMA — This is one of the few countries where people hear a BANG and think of a firecracker. Most of the time they are right, but not always.

"I saw a flash and I heard a bang, like a firecracker," said Naoyuki Morita, a clerk at a fishing tackle store, recalling the evening last September when he and two other employees were taking cash to the bank.

"Then I saw the man, but I thought that he must be a drunkard. When our boss fell to the ground, that's when I realized it was a holdup."

The robbers had allegedly opened fire without warning, and the store's boss, who was holding a bag with the money, was killed, while the third employee was shot in the leg.

Mr. Morita, who was unhurt, sipped a coffee just down the street from where the holdup took place, in this port city near Tokyo, and mused that Japan is changing.

"I don't think we have the same safety level that we used to," he said, noting that a Chinese-made handgun can now be purchased on the black market in Japan for a few thousand dollars. "I don't think this society will be safe anymore."

Mr. Morita's experience gives him special reason to be afraid. But he is more the exception than the rule.

Apprehension of violent crime seems to be spreading in Japan, but not because the Japanese have been more directly affected by violent crime.

Polls suggest that many Japanese no longer feel safe, at least partly because they have been exposed to a few highly publicized criminal cases like the nerve gas attack on the Tokyo subway system last year.

The Japanese experience illustrates not only the link between public fear and media reporting of crime — a link much commented upon in the United States lately as rates of violent crime have dropped — but just how jittery people can get even when the danger is so minimal.

'I don't think we have the same safety level we used to.'

Last year, there were only 32 gun murders in all of Japan, while in the United States, with twice the population of Japan, there were 15,456 in 1994, the last year for which a figure is available.

Most of those killed in Japan were gangsters shot by other gangsters, and in each of the last few years only 12 people who were not linked to the Yakuza have been shot dead with guns in Japan. That is only slightly greater than the number of Japanese — nine — who were killed or injured by lightning last year.

Yet perceptions matter more than reality in determining the level of fear, and there is no doubt that the public perception is one of growing danger.

One index of the fear is the success of Toa Security, a nationwide company that sells bullet-proof clothing and other security equipment.

Its Tokyo showroom features a $2,200 cashmere blazer, Italian-designed and suitable for boardroom use, as well as weekend accompaniments such as a $1,950 bullet-proof leather jacket with a pocket for a cellular phone.

"Until about a year ago, people still felt, 'Why do we need bullet-proof vests?'" said Tetsuo Yokoba, a salesman at Toa Security, not flinching a bit as a customer in the store sent sparks flying by trying out an electronic stun gun. "But now the mood has changed drastically. People now figure it's cheap insurance."

Sakae Shimizu, the security company's managing director, said, "The social structure and social values are changing."

Mr. Shimizu then grinned and added, "So this is a big opportunity in my line of business."

Several crimes have captured public attention recently, particularly the murder of three women in a supermarket last year in a Tokyo suburb. Shortly after the store closed, robbers bound the manager, a woman, along with a 17-year-old part-time employee and her 16-year-old friend. Then the robbers apparently shot the three of them at close range.

"The first reaction was to suspect that foreigners must have been involved," the Sunday Mainichi magazine quoted a detective as saying. "There's a feeling that no Japanese could commit such a vicious act toward a fellow Japanese." The police have made no arrests.

Japanese crime rates have been inching upward in recent years, but the trend is not nearly so striking as most Japanese think. In fact, crime levels are still lower now than they were in the late 1940s.

The most worrisome increases are for armed robberies that involve gunfire, which used to be virtually nonexistent but numbered at least 14 last year, and for guns confiscated by the police, which surpassed 1,700 last year.

The concern about violent crime seems to confirm most Japanese in their belief that gun control is essential. That is why the country is further tightening its gun restrictions, which are already among the tightest in the world.

When Mr. Morita was asked whether he now believed that shop owners, after being robbed, should be allowed to keep a gun for self-protection, he looked horrified.

"That's one view," he said politely. "But since I was a gun victim, I really know how frightening guns are. So I just hope that firearms can be abolished entirely."

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24 Underground reservoir
25 Fir
29 Hay storage site
30 Signature on a bad check, maybe
31 18-wheeler
32 Swank
36 Not miss an opportunity
39 Electrical units
40 Historic periods
41 Award for "Braveheart"
42 Old TV host Jack
43 Does tailoring on
44 41-Across bestower, with "the"
48 Foxlike
49 They're needed for organ transplants
50 More than admiration
51 Actress Moreno
53 No longer be able to escape the facts
58 "This —— outrage!"
59 Arthurian lady
60 To whom Muslims pray
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62 Set system
63 Landlord's paper

DOWN

1 Knife wound
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7 Houston university
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10 "—— one to a customer"
11 Lyric poem
12 Ed of "Lou Grant"
13 "Surprise Symphony" composer
18 Egg
19 N.F.L. *conference*
23 Cape Canaveral org.
24 Arrives
25 —— California
26 Graduate, for short
27 Like a wet noodle
28 Schmos
29 "The Merry Widow" composer Franz
31 Err
32 Kind of tense
33 Fairy tale start
34 Capone feature
35 Word on a towel
37 Jimmy Hoffa follower
38 Sacred
42 Lima's land
43 Trebek of "Jeopardy!"
44 Leaky, as a faucet
45 Basketball great — Bob
46 Historical record
47 "Lorna ——" (rant)
48 Stockholm native
50 Throw —— (rant)
51 Straight line
52 Mallorca, e.g.
53 Soloists
54 Este tennis V.I.P.
56 Warbler Yoko
57 Pres. Coolidge, informally

Solution to Puzzle of May 17

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Puzzle by Sidney L. Robbins

© New York Times/Edited by Will Shortz



Massimo Capodanno/Agence France-Presse

Antonio Di Pietro signing the document appointing him as public works minister of the new government.

Prodi Tackles Jobs and the Mafia

Reuters

ROME — Prime Minister Romano Prodi's new center-left government burst into life over the weekend, vowing war against the twin perils of unemployment and the Mafia.

Just hours after taking office at a ceremony on Saturday, Mr. Prodi dispatched two senior ministers to Sicily to meet magistrates and underline his administration's determination to battle organized crime.

He said in an interview Sunday that the fight against unemployment would also be top of the agenda for his cabinet, which for the first time in 50 years contains members of what was formerly Italy's Communist Party.

"I will work to create the conditions for new jobs, particularly in the south where the problems are dramatic," he told Corriere della Sera.

The 56-year old economist's first official engagement as prime minister was to address via a satellite link a conference on organized crime in Palermo, where he pledged to tackle the Mafia head-on. "In the first day of the government this is an earnest and total commitment for Sicily and all of the south," he said.

He is due to unveil the full program of his Olive Tree coalition, which won last month's general election, to the upper house of Parliament on Wednesday.

He will then face obligatory confidence votes in both chambers of Parliament. Despite not holding an absolute majority in the lower house, Mr. Prodi looks certain to win, thanks to the promised backing of the hard left Communist Refoundation party.

The new center-left government, which contains two former prime ministers and a famous former magistrate whose probes helped topple Italy's corrupt political old-guard, has received praise from the media, big business and even opposition politicians.

■ Berlusconi Questioned

Prosecutors in Brescia have questioned former Prime Minister Silvio Berlusconi, already under investigation for suspected corruption, Agence France-Presse reported.

Two prosecutors questioned the businessman-turned-politician for three hours on Saturday, but the nature of the investigation remained unclear, as neither prosecutors nor Mr. Berlusconi made a statement.

But the two prosecutors, Fabio Salamone and Silvio Bonfigli, were involved in the investigation into a case last year implicating Mr. Berlusconi, in which he and his brother Paolo allegedly plotted against Antonio Di Pietro, the graft-busting magistrate who has now become public works minister.

Paolo Berlusconi has since been sentenced to two and a half years in jail after being found guilty of other corruption charges.

Silvio Berlusconi faces several accusations, including one of breaking rules on political funding, for which an initial hearing has been adjourned until June 12.

New Accusations in Spain Revive Death Squad Scandal

By Daniel Williams
Washington Post Service

SAN SEBASTIAN, Spain — After fading in the wake of national elections and through lack of public interest, a scandal over government sponsored death squads formed to kill Basque separatist suspects has come alive and appears destined to haunt Spanish democracy for some time.

Last year, reports that the government of Prime Minister Felipe González operated the clandestine assassination rings in the 1980s sent shock waves through Spanish politics. The uproar over the Anti-Terrorist Liberation Groups — GAL in the Spanish acronym — contributed to the defeat in March of Mr. González, a Socialist, by the rightists under José María Aznar.

The shock diminished by spring: a few court cases, two convictions and a judge's decision that Mr. González himself would not be charged foreshadowed an emotional and legal winding down of the scandal.

But in recent weeks, a former top policeman charged with stealing money meant to finance the squads has started pointing his finger at superiors. He accused three generals of involvement in kidnappings, torture and deaths of suspected members of ETA, the Basque separatist group.

The accusations revived the ultimate issue of what did Mr. González know, if anything, and when?

The principal problem has always been how to give a "credible explanation to the indisputable fact that the GAL used structure, weapons and public funds without the government knowing," said an editorial in El País, which long backed the González government.

Newspapers continue to expose cases of torture and murder, judges continue to subpoena witnesses, and suspects and families of victims are demanding an accounting. In particular, Basques in this separatist-minded north-central region are clamoring for justice. To disappoint would affirm the worst suspicions in the Basque country as well as in Catalonia, the other prominent autonomous region of Spain, that central government serves the Spanish and not the minorities.

"We want full clarification, not simply government runaround," said Laureana Martín, the widow of the last GAL victim — a conscientious objector unconnected to ETA but who was nonetheless singled out by GAL and blown up in his car.

Exposure of the death squads tarnished the generally shiny history of Spain's transition from the Franco dictatorship to democracy. Kidnappings, torture and secret murders were supposed to be a thing of the past, not of a Euro-prosperous and open future.

The anti-terror program failed even the cold-blooded test of efficiency: Of 27 victims, nine were found to have had nothing to do with ETA — either cases of mistaken identity or of having been picked by zealous mercenaries on the basis that one dead Basque was pretty much the same as another.

The GAL scandal has become a test of the Aznar government, which in part represents factions opposed to cracking down on the police who fought terrorism and separatism. Mr. Azuar has taken a middle road. His government, he said, will cooperate with courts but not launch its own investigation. In effect, that means a long delay in ferreting out truth.

"The question becomes whether we are some sort of banana republic that is incapable of looking into the face of truth or whether Spain is truly a European country with Western democratic values," said Carmen Garruchaga, who is writing a book on ETA.

The new accusations of high-level involvement come from Luis Roldan, a former head of the fearsome paramilitary National Guard. Last year, Mr. Roldan was charged with embezzling millions of dollars in secret funds for the anti-ETA effort, but he only began to spread blame this year. He claims he waited so as not to interfere in the elections.

Now that the vote is over, he says he does not want "a half dozen Civil Guards" to take the sole rap. Mr. Roldan is among about a dozen suspects indicted for crimes during the GAL era. Two have been found guilty. Each blamed Jorge Barrionuevo, the interior minister at the time and still a member of Parliament and of Mr. González's Spanish Socialist Workers' Party. Mr. Barrionuevo has been charged with detaining suspects illegally but is free on bail.

The anti-ETA campaign took place at a time when the Basque terrorists had undertaken a campaign to assassinate dozens of public servants and military and police officials. Its goal was apparently to provoke a coup against the Socialist government.

In reaction, the government formed the GAL with two apparent goals: to cripple the ETA leadership and to rout the terrorists from havens in France. Two law enforcement branches were mobilized by the secret service: the Civil Guards and the national police.

Most killings took place in French border towns. GAL was disbanded in 1987 when France agreed to deport ETA activists from their frontier refuges. The last GAL victim was Juan Carlos García Goena, a Basque conscientious objector who held a railroad job and was subsequently found to have no link with ETA. A bomb blew up his car one morning as he set off for work.

His widow is seeking indemnity from the Spanish government, but payment would require Madrid to acknowledge full responsibility for the GAL's "errors," as such killings are called officially. No one has been willing to take that step.

Spare the Rod – Italian Court Rules Against Father

Reuters

ROME — Italian parents can no longer hit their children even if they think a smack is of educational value, the high court said in a weekend ruling.

The court decided in favor of a girl who in 1990, at the age of 10, complained to the police that her father beat her. The man said he slapped his daughter to teach her right from wrong, but Italy's highest court, in a written judgment released on Saturday, ruled against him.

It said to hit a child was "culturally anachronistic and judicially insupportable."

BRIEFLY EUROPE

Bad News on IRA Cease-Fire

DUBLIN — A Sinn Fein negotiator said in remarks published Sunday that it was "highly unlikely" that the Irish Republican Army would declare a new cease-fire to gain a seat at Northern Ireland peace talks.

Gerry Kelly said in an interview with the Sunday Business Post in Dublin that Prime Minister John Major of Britain had not gone far enough last week when he appealed for a truce that would earn the IRA's political wing, Sinn Fein, a place at June 10 talks in Belfast.

"A cease-fire is highly unlikely, but you can never say never," said Mr. Kelly, who was given two prison sentences for life for his part in an IRA bombing campaign in 1973 in London.

His remarks were the most pessimistic by a Sinn Fein representative since the IRA, which seeks the end of British rule in Northern Ireland, broke a 17-month cease-fire in February because Britain had demanded that it lay down its weapons before the talks began. *(Reuters)*

EU May Ease British Beef Ban

BRUSSELS — The European Union on Monday may take a first step toward easing a worldwide ban on British beef exports in return for extra efforts by London to stamp out "mad cow" disease, EU officials said.

The farm commissioner, Franz Fischler, said that veterinary officials made progress on the issue last week and that he was optimistic that a proposal to allow sales of gelatin, tallow and bull semen would now pass muster.

EU diplomats added that extra British measures, including an extended slaughter program, would help swing the vote.

Although Germany and Austria remain staunchly opposed to easing the ban, resistance from other member states appeared to be waning. *(Reuters)*

Coalition in Schleswig-Holstein

KIEL, Germany — The Social Democrat Party and the environmentalist Green Party arrived at an agreement to form a coalition in the north German state of Schleswig-Holstein, embracing a model that they hope one day will lead to the unseating of Chancellor Helmut Kohl.

Delegates to a special Green Party convention approved the accord by a surprisingly strong margin of nearly 2-to-1 Saturday night despite accusations that the pact eroded their ecologist principles.

The Social Democrats, who were forced to find a coalition partner after losing their majority in March elections, endorsed the deal earlier Saturday. *(Reuters)*

Calendar

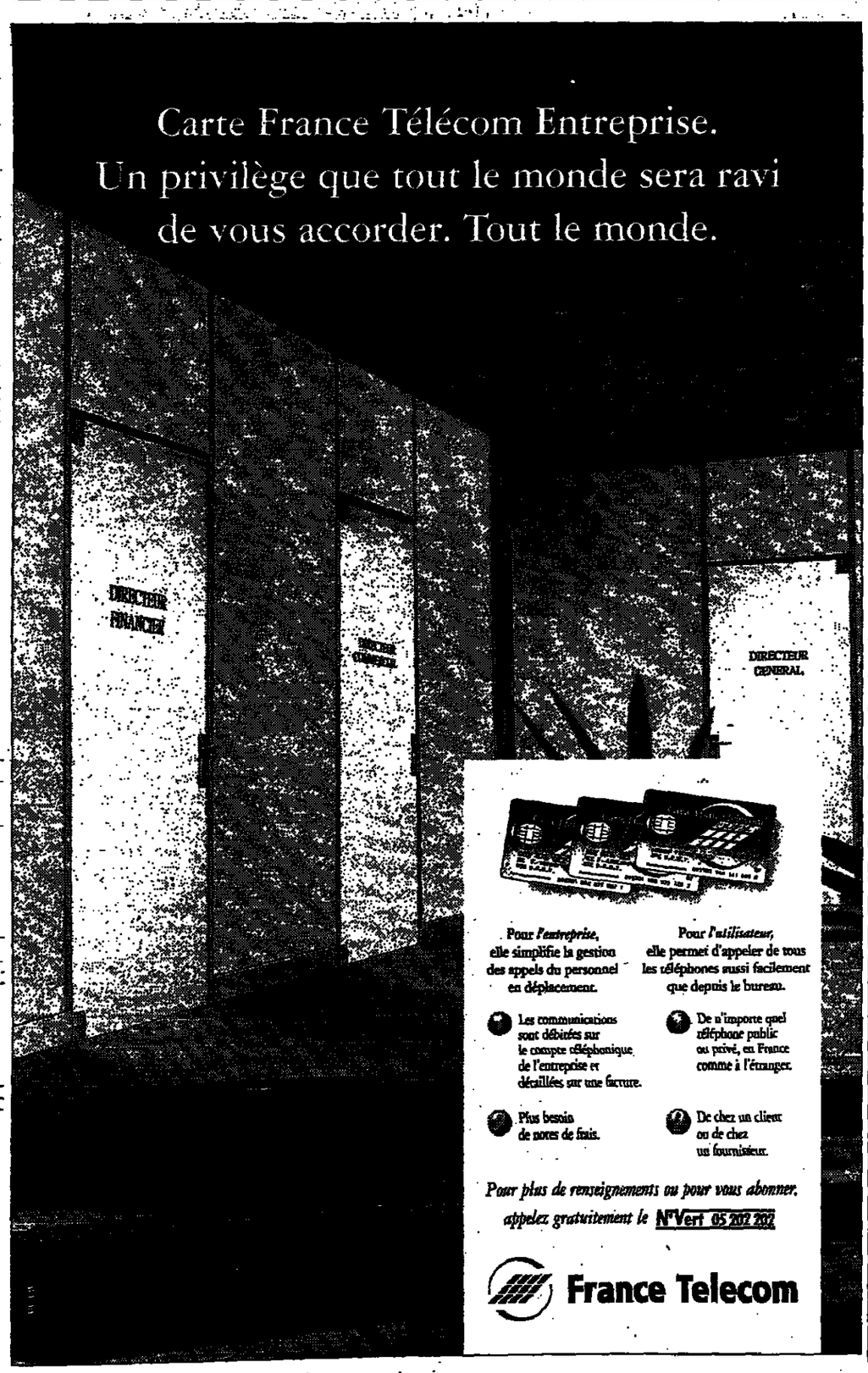
European Union events scheduled for Monday:

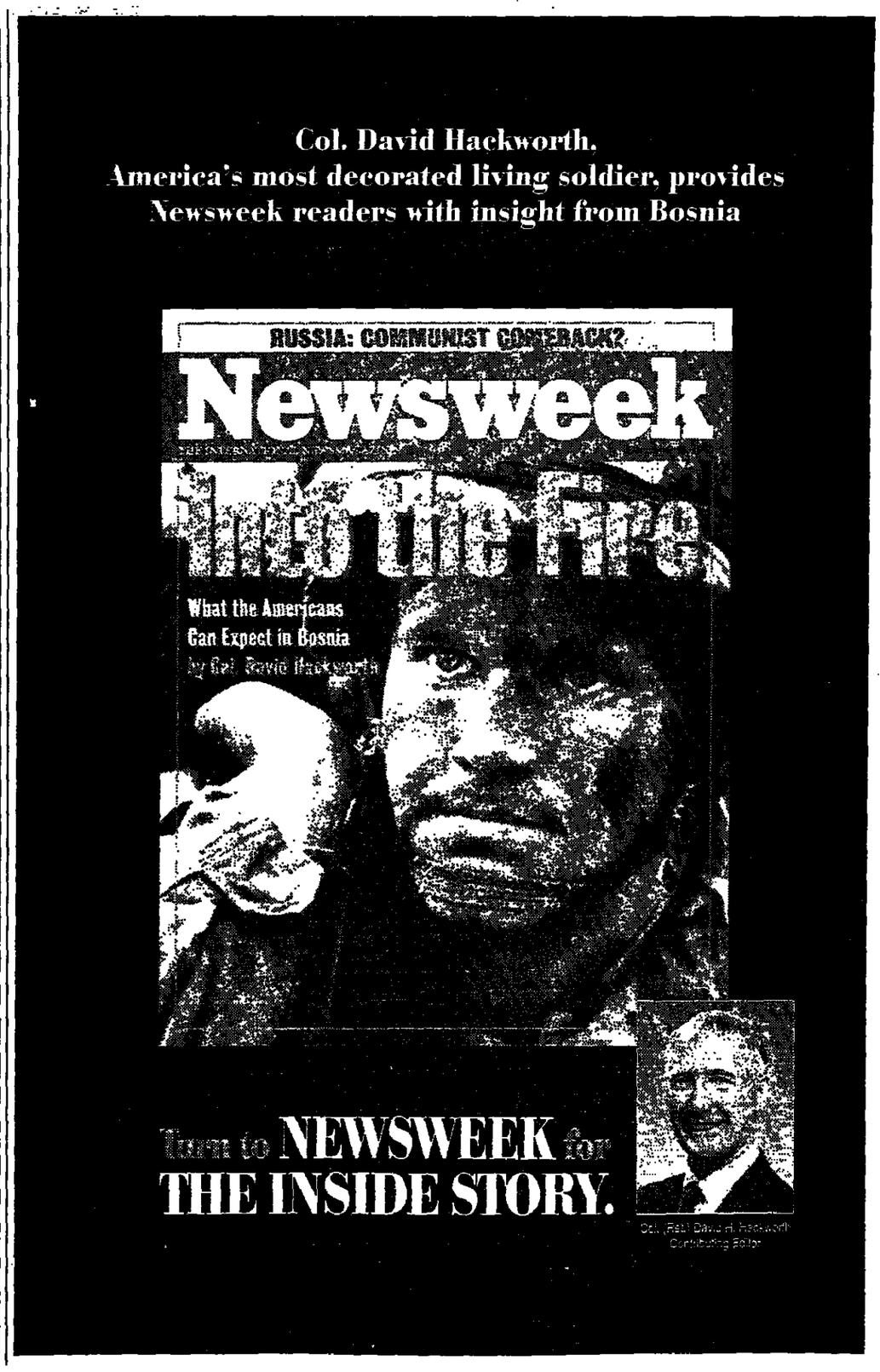
BRUSSELS: EU industry ministers meet.

BRUSSELS: The president of the European Commission, Jacques Santer, meets the German economy minister, Günther Rexrodt

BRUSSELS: The commissioner for common foreign and security policy, Hans van den Broek, meets Vladimir Lukin, president of the Russian Duma's foreign relations body.

Sources: Agence Europe, AFP





INTERNATIONAL

Demirel Attacker Angry At Turkish-Israeli Deal

Compiled by Our Staff From Dispatches

ANKARA — A would-be assassin who shot at President Suleyman Demirel has admitted that he acted to protest a defense agreement between Turkey and Israel, the police said Sunday.

Ibrahim Gumrukcuoglu, a 48-year-old pharmacist and father of four, made his confession late Saturday, said the regional police chief, Memduh Oguz.

The military agreement, signed in February, allows for Turkish and Israeli air force pilots to train in each other's airspace, for cooperation between defense industries and for an exchange of information and personnel.

It was condemned by Islamic militants in Turkey and the pro-Islamic Welfare Party. It was also criticized by Iran, Iraq and Syria.

Mr. Demirel, 71, escaped unhurt in the incident in the western city of Izmit, 50 kilometers (30 miles) east of Istanbul, where he inaugurated a shopping mall.

The president had just finished a speech when Mr. Gumrukcuoglu fired a single shot with a handgun, injuring a journalist. A police officer was also hurt.

Mr. Gumrukcuoglu, who local journalists said was well known in Izmit as an Islamic fundamentalist, was detained by anti-terrorist police.

Mr. Oguz said Sunday that Mr. Gumrukcuoglu had previously undergone treatment for psychiatric problems and had a criminal record.

Press reports here said Mr. Gumrukcuoglu spent three years in prison for killing a cousin in 1971. He was freed in 1974 in a general amnesty and arrested again in 1978 for injuring two students.

Mr. Gumrukcuoglu was twice questioned over the possession of illegal firearms before obtaining a license in 1993. Mr. Oguz said it was not necessary to present a full medical report in order to be granted a gun license in Turkey.

Mr. Oguz said Mr. Gumrukcuoglu's action Saturday was not premeditated and that he was attracted by the crowd gathering to see Mr. Demirel.

Mr. Gumrukcuoglu's was not the first attack on Mr. Demirel, whose nose was broken by an assailant in Ankara in May 1975 when he was prime minister.

Mr. Demirel, surrounded by bodyguards, had just spoken at the opening of the shopping mall and had left the podium when an undercover guard spotted a man pointing a gun at the president, the semiofficial Anatolia news agency reported. Guards overwhelmed the assailant, and one shot was fired in the scuffle, the agency said.

Television footage showed Mr. Demirel being rushed from the chaotic scene as a Milliyet newspaper reporter, Ihsan Yilmaz, lay on the ground with a gunshot wound above the knee.

Mr. Demirel has been on the Turkish political scene for more than 30 years. He rebounded after being ousted from politics following military takeovers in 1970 and 1980, and served a record seven terms as prime minister before becoming Turkey's ninth president in 1993.

Mr. Demirel is the second Turkish leader to survive an assassination attempt in the past decade. The late president Turgut Ozal was shot in the hand during an assassination attempt when he was prime minister in 1988.

(AFP, WP)



The Associated Press

President Suleyman Demirel being led away by bodyguards after the attempt against his life in Izmit, Turkey.

Rights Figure Seized in Gaza After Interview

By Joel Greenberg
New York Times Service

JERUSALEM — A prominent Palestinian human rights advocate has been arrested in Gaza after accusing the Palestinian Authority in a newspaper interview of dictatorial rule and torturing prisoners, his associates said Sunday.

The arrest of Dr. Eyad R. Sarraj was the latest case in what has become a pattern of harassment of human-rights workers and journalists in Gaza who have voiced public criticism of the authority and its security forces.

Dr. Sarraj, a psychiatrist who heads the Palestinian Independent Commission for Citizens Rights, was detained at his Gaza home on Saturday and taken to police headquarters, where he was questioned by the authority's Attorney General, Khaled Qidra.

Mr. Qidra said that Dr. Sarraj was suspected of "slander," and was being investigated for many "illegal matters." But he refused to give details, saying only that the results would determine whether the doctor would be put on trial.

"We hope to end this case as soon as possible," he said.

Associates of Dr. Sarraj said his arrest was linked to remarks quoted in a column by Anthony Lewis of The New York Times that was published on May 6 (and in the IHT on May 7).

"There is an overwhelming sense of fear," Dr. Sarraj was quoted as saying. "The regime is corrupt, dictatorial, oppressive."

He added: "There are so many arbitrary arrests now, without charge, without reason. The authority has nine security organizations, each with its own detention center. And people are systematically tortured."

In December Dr. Sarraj was held for 10 hours and questioned after he criticized the authority's human-rights record.

■ Arafat in 'Excellent Health'

Yasser Arafat's doctor denied reports Sunday that Mr. Arafat had suffered a mild stroke and said the Palestinian leader was in "excellent health," Agence France-Presse reported from Amman, Jordan.

Mr. Arafat, 67, has been hit by a simple "bout of flu and the effects of overwork," Dr. Achraf Kurdi, a neurologist, said after examining the president of the Palestinian Authority.

TURKEY: *That Old Familiar Fez Is Beginning to Show Up Again*

Continued from Page 1

Yilmaz, 27, a currency trader whose grandparents came south from the Russian-ruled Caucasus a century ago to find a haven for their Muslim faith, have begun to wonder whether Mr. Ataturk's efforts to turn Turkey westward were worth the sacrifices.

"Mr. Ataturk did a lot of ridiculous things," Mr. Yilmaz said, noting the law that forced men to stop wearing the traditional fez, and another that dropped the Arabic alphabet for the Latin one.

"Secularism in Turkey, for instance, is something that is hard to understand. I feel myself to be a Muslim and today is Friday, when I should go to pray, but I can't; I have to work. There should be more freedom of religion."

Some explain the rise of the Welfare Party, which won 21.6 percent of the vote in the last election, to the pent-up indignation at the restrictions placed on religion by Mr. Ataturk's brand of secularism.

Others see it as the consequence of conciliatory policies, enacted after the 1980 military coup, that allowed religious instruction back into the public-school curriculum, and gave the green light to religious schools for imams. The schools for imams, Islamic religious leaders, have seen the number of their graduates increase fourteenfold, compared with a tripling of graduates from secular state schools.

Perhaps the most prevalent explanation for the Welfare Party's success has to do with the failure of Turkey's traditional parties to deal with the social and moral problems of a society that is bursting at the seams.

Population growth continues to confound planners: by one estimate, 60 percent of the population is under 20. Cities big and small are exploding in size, breeding a new underemployed, underhoused urban class that has become the Welfare Party's biggest source of support.

In 1950, 30 percent of Turks lived in cities; by 2000, it will be 70 percent. Istanbul's population, estimated at 10 million, is growing 4.5 percent a year.

"The Kemalists have failed to produce a secularist moral code," said Murat Belge, a Turkish historian. "Nothing has been done in 70 years to replace the old Muslim code. And through Islam, many people are reaching for a larger community."

As the old Kemalist taboos and restrictions continue to fall away, Turkey is in many ways discovering itself, peering back into its history, at its modern society and at its culture with new eyes.

"The bridge between past and present was broken with Mr. Ataturk, and Turkey had to do everything from scratch," said Latif Erdogan, spokesman and biographer of Fatullah Hoja, a spiritual leader who preaches a message of tolerance and humanism, with none of the harsh anti-Western language of the Welfare Party. "Now we feel the need to focus on the gaps in Turkish society."

Other changes have chipped away at the controls that once bound the nation to Mr. Ataturk's dream. Half a dozen privately owned satellite television channels, which burst on the scene in 1992, now beam competing versions of the news to citizens who in the past had only one.

Commercialization has replaced propaganda on the airwaves. In a spoof of the military coups that have periodically interrupted Turkey's democracy, one satiric show recently showed a Turkish general going on the air to announce a military takeover, only to have the announcement interrupted so frequently for commercials that in the end he walks off stage in disgust.

Yeltsin, an Eye On Centrist Rivals, Weighs 'Fresh Views'

The Associated Press

OMSK, Russia — President Boris N. Yeltsin pressed forward on Sunday with his bid to neutralize his centrist opposition in the presidential race, promising to shake up his cabinet and adopt parts of his rivals' platforms.

"A fresh government should be formed to inspire greater confidence," the president said on a campaign trip to this Siberian city.

Mr. Yeltsin is locked in a close race with the Communist challenger Gennadi A. Zyuganov in the June 16 election. But there are nine other candidates running, and Mr. Yeltsin needs some of their voters to beat Mr. Zyuganov.

Last week, he offered his third-place opponent, Grigori A. Yavlinsky, a cabinet job and control of Russia's free-market reforms if he would drop out of the race.

On Sunday, the president appeared ready for more horse trading. He said he was ready to adopt his rivals' good ideas and add "fresh faces with fresh views" to his government.

"Why not take interesting ideas from Yavlinsky?" Mr. Yeltsin said in an interview with a Siberian television station, as reported by the Itar-Tass press agency. "Why not take ideas from other candidates?"

The same goes for people, he said. "We should replace, maybe, the greater part of the government team," he added.

In a meeting last week with Mr. Yeltsin, Mr. Yavlinsky, the leader of the centrist Yabloko bloc, demanded sweeping changes in the cabinet and major policy changes in return for his support.

Mr. Yeltsin said later that he had offered Mr. Yavlinsky the reform portfolio and a job as deputy prime minister. He said that Mr. Yavlinsky had asked to be named prime minister, but that he had turned him down.

But Mr. Yavlinsky's press service expressed "bewilderment" at Mr. Yeltsin's account of the meeting and said the Yabloko chairman was not seeking a cabinet job.

And on Sunday, Mr. Yavlinsky denied that the president had even offered him one.

"There were no proposals, and I did not expect any proposals," Mr. Yavlinsky said in Moscow. "We spoke about sackings, not appointments." He said he would remain in the presidential race.

Mr. Zyuganov, meanwhile, said the alliance would not do the president any good. He told the Interfax news agency that many of Mr. Yavlinsky's supporters would probably not vote for Mr. Yeltsin.

Many Russians feel Mr. Yeltsin has discredited the nation's post-Soviet transition to democracy and a free-market economy. They want to vote for someone who represents these ideas — but they do not want to vote for Mr. Yeltsin.

Most polls indicate that the election could hinge on those voters. And the president has been trying hard to neutralize their alternatives — candidates like Mr. Yavlinsky or the retired general Alexander Lebed, who opposes the war in Chechnya.

Experts say Mr. Zyuganov also needs to expand his base of support, something he has yet to do, because the died-in-the-wool Communist vote will not be enough for him to win. He needs to appeal to voters in the "gray" areas, Sergei Markov, a political analyst, said last week, and show them he can "guarantee some kind of stability and be the president of all Russians."

JAPAN: *U.S. Trade Policy Worries Tokyo*

Continued from Page 1

threat of punitive sanctions against China as "counterproductive."

Japan's assertiveness also was evident during an interview Friday with Kazuo Ogura, Japan's deputy foreign minister. Mr. Ogura said Japan would urge that the OECD, the Paris-based economic research organization that brings together the world's leading industrial nations, develop stronger ties with nonmembers in Asia.

"The OECD is heavily concentrated in Europe, while the gravity of power is shifting to the Pacific," Mr. Ogura said.

He said Japan would like to see Donald Johnston, the incoming OECD secretary-general, coordinate "more study of what is going on in China, other Asian countries and Russia, and how those economies affect us in the U.S., in Japan and in Europe."

■ China Warns U.S. on Trade

China issued a stern warning to the United States on Sunday to come to the negotiating table, saying a looming trade war over copyright piracy threatened the U.S. position in China's huge markets, Reuters reported from Beijing.

The official China Daily Business Weekly quoted trade officials as saying that Washington had been "insincere and unjust" and had failed to produce any evidence for its claims of widespread theft of intellectual property in China.

By imposing sanctions, "the United States is risking losing an emerging new big market for both U.S. products and capital," the magazine quoted Zhou Shijian of China's International Trade Research Institute as saying.

French Troops Move to Put Down Mutiny in Central African Republic

Compiled by Our Staff From Dispatches

BANGUI, Central African Republic — French troops moved into central Bangui on Sunday to try to quell an uprising by mutinous soldiers who had seized several hostages and fired a rocket at the national radio station.

Unconfirmed reports said one mutineer had been killed in a gunfight with guards loyal to President Ange-Félix Patassé, who has been holed up in his residence since the mutiny began Saturday.

His defense minister, Jean Mette-Yapende, went on national radio and urged the mutineers to put down their weapons and enter negotiations with the government, but by Sunday the rebellion appeared to have intensified.

The mutineers, estimated at about 200, are demanding that Mr. Patassé return the national armory to their control. It was placed in the hands of presidential guards after a mutiny last month that killed at least nine people.

"The rebellion is much stronger than a month ago," one Bangui resident, François Angelini, told the French all-news TV network LCI by telephone. Mr. Angelini is one of about 2,500 French nationals living in Bangui.

"The French Embassy just called us," he told LCI. "According to them, the French troops are trying to come downtown, but for the time being they can't come and get us."

Residents were reporting gunfire in the city center. *(AP, Reuters)*

LEBANON: *Israelis Shell Civilian Area*

Continued from Page 1

on northern Israel and intensive Israeli bombardment of Lebanese targets as far north as Beirut. Tens of thousands of Israelis and hundreds of thousands of Lebanese fled their homes during the conflict, and more than 150 Lebanese civilians were killed.

Under the terms of the agreement, a monitoring committee is to be set up — including representatives of Lebanon, Syria, Israel, France and the United States — to help ensure that both Hezbollah and Israel adhere to the ban on attacks on civilian targets on both sides of the border. But diplomats meeting in Washington have not yet agreed on how the committee should function, leaving a void that may make it difficult to determine whether Sunday's shelling was in fact a violation.

■ Captive Identified as Bomber

Serge Schmemann of The New York Times reported from Jerusalem:

Israeli officials said that a Palestinian who was shot and wounded in Hebron on Friday was a top Islamic guerrilla who helped organize three of the suicide bombings earlier this year.

The guerrilla was identified as Hassam Salameh, whom Israeli Army spokesmen described as deputy commander of the Qassam military wing of Hamas, the militant Islamic organization. The commander, Mohammed Dief, one of the Palestinian guerrillas most wanted by Israel, is still at large.

According to the spokesmen, Mr. Salameh was captured after the van he was in was stopped for a search. They said he bolted and that soldiers shot him in the back, but he still got away.

He was found soon after at the nearby Alia Hospital in Hebron, where other Palestinians had evidently taken him. After surgery there, he was transferred under heavy guard to an Israeli hospital. Israeli radio said that security forces arrested six Palestinians on Saturday on suspicion of helping Mr. Salameh.

Ireland's Song Wins Eurovision Contest

The Associated Press

OSLO — Ireland has won the Eurovision Song Contest with the haunting Gaelic-inspired song "The Voice," sung by 23-year-old Eimear Quinn.

Ireland, one of the precontest favorites, won the 23-nation event on Saturday night with 162 points.

Norway, last year's winner, took second with 114 points. Sweden's group One More Time was third with 100 points.

Croatia was fourth with 98 points and Estonia took fifth with 94.

Winners are picked by juries from all 23 countries.

Ireland has won the contest seven times, including three times running until Norway won the final in Dublin last year.

The expense of arranging the contest so many times has become a concern to many critics in Ireland, since the winning country is host to the next year's final.



The Associated Press

Willis Conover broadcasting in 1959.

Willis Conover, Jazz Deejay To the World, Is Dead at 75

New York Times Service

NEW YORK — Willis Conover, 75, the Voice of America disk jockey who fought the Cold War with cool music, capturing the hearts and liberating the spirits of millions of listeners behind the Iron Curtain, died of lung cancer Friday at a hospital in Alexandria, Virginia.

In the struggle between the forces of communism and democracy, Mr. Conover, who went on the air in 1955 and continued until a few months ago, proved more effective than a fleet of B-29s.

Millions of people would fine-tune their radio dials as a sugary, slow-talking baritone announced, "This is Willis Conover in Washington, D.C., with the Voice of America Jazz Hour."

To Americans who listened to jazz routinely, or disliked it, the wide popularity of the music in lands where it was officially decadent might seem incomprehensible. It was, as Mr. Conover liked to say, "the music of freedom," and to those who had no freedom it became a symbol of hope. At the peak of the Cold War it was estimated that Mr. Conover had 30 million regular listeners in Eastern Europe and the Soviet Union and as many as 100 million worldwide.

He was known as the most famous American that virtually no American had ever heard of. By law, the broadcasts that made him a household name abroad could not be beamed to the United States.

Johnny (Guitar) Watson, 61, Pioneer of Rhythm and Blues

NEW YORK (NYT) — Johnny (Guitar) Watson, 61, a flamboyant pioneer of rhythm and blues whose music influenced performers like Jimi Hendrix, Frank Zappa and Stevie Ray Vaughan, died of a heart attack Friday just after he took the stage for a performance in Yokohama, Japan.

In The New York Times last year, the critic Peter Watrous wrote: "There are few more lascivious sounds in popular music than the voice of Johnny (Guitar) Watson. When he sings 'Booty Ooty' or 'Hot Little Mama,' it isn't just come hither he's singing. It is something much more joyous, and completely unprintable." At that time, Mr. Watson had only recently begun his first series of concerts in the United States in 14 years.

Mr. Watson, was born in Houston and learned to play the piano from his father. At 15, he moved to Los Angeles and became enchanted with the sound and style of Clarence (Gatemouth) Brown, a blues guitar and fiddle virtuoso.

He made his first record in 1953 as Young John Watson, and his tunes soon helped define a West Coast jump blues style. But after his last American show in the early 1980s, he all but vanished. For several years, he performed in the summer in Europe, where the French knew him as the Godfather of Funk.

EDUCATION DIRECTORY

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SERB: *Conflicting Reports on Karadzic*

Continued from Page 1

parently unwilling to take a stance. Mr. Bildt and other international leaders than appealed to President Milosevic and threatened to reimpose economic sanctions against both the rump Yugoslavia and the Serb Republic.

Mr. Karadzic's statement that he would now take a back seat in politics may stave off that threat, but his appointment of a new prime minister and his delegation of some of his powers to his vice president, both loyal supporters, will insure that his will is carried out.

■ Bosnian Serb General Dies

Djordje Djukic, the Bosnian Serb Army general released last month by the United Nations war crimes tribunal at The Hague because of ill health, died Saturday of pancreatic cancer at the Belgrade military hospital, Reuters reported.

The hospital issued a statement Sunday saying the general died after "being ill and exhausted by the trial in The Hague."

The tribunal ordered General Djukic's immediate release because he was dying of cancer, but said the war crimes charges against should remain in place.

The ailing 62-year-old was allowed to return to his family in Belgrade.

A senior logistics officer, General Djukic was captured by Bosnian government forces on Jan. 30 and later transferred to tribunal custody at Scheveningen jail near The Hague. He pleaded not guilty to charges that he supplied Serbian forces with the guns and ammunition to shell Sarajevo during a 43-month siege.

What to Do About Nigeria: Should U.S. Apply the Iron Fist or the Velvet Glove?

By Thomas W. Lippman
Washington Post Service

WASHINGTON — Frustrated by what they see as President Bill Clinton's inadequate response to deteriorating political and economic conditions in Nigeria, senators from both parties are pressing for a tougher U.S. position and tightened sanctions against Nigeria's military regime.

Senator Nancy Landon Kassebaum, the Kansas Republican who chairs the Senate Foreign Relations Africa subcommittee, and a handful of allies tried to pressure the administration last week by holding a hearing on the Nigeria issue.

But they got no new commitments from the administration and succeeded mostly in putting on display the sharp divisions in the United States about what course to followin Africa's most populous nation.

Witnesses from the administration, human rights groups, academic community and Congressional Black Caucus agreed that conditions in Nigeria are deplorable but disagreed about what to do.

Some called for strong, unilateral U.S. action to increase pressure on General Sani Abacha, Nigeria's military ruler, who repeatedly has promised to restore democratic rule but keeps locking up his opponents.

Others said the United States should be more understanding of the difficulty of running a diverse, polylingual nation with fragile political traditions.

Undersecretary of State Peter Tarnoff had no new initiatives to offer — not surprising since the administration had told Mrs. Kassebaum the hearing was premature.

"We do not wish to see Nigeria become a pariah state that might use its influence and resources recklessly and irresponsibly," Mr. Tarnoff said.

Mrs. Kassebaum and others in Congress are pressing for enactment of a bill that would prohibit all U.S. investment in Nigeria, freeze U.S. assets of the Nigerian leadership and consider boycotting Nigerian oil. But there is little support in the administration for a unilateral cutoff of oil purchases. Nigeria is a major U.S. supplier.

Relations between the United States and Nigeria have deteriorated steadily since General Abacha seized power in 1993. The United States holds him responsible for widespread human-rights violations, abridgment of basic political freedoms and condoning extensive heroin trafficking.

Part of the administration's difficulty is the lack of unanimity among African-Americans and in the Congressional Black Caucus about what to do.

Representative Donald M. Payne, Democrat of New Jersey, who chairs the Congressional Black Caucus, supported Mrs. Kassebaum's bill and said most members of the group had endorsed it. But Senator Carol Moseley-Braun, Democrat of Illinois, and Representative William J. Jefferson, Democrat of Louisiana, both members of the caucus, opposed the bill.

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India Needs Tolerance

For the first time, the world's largest Hindu nation has a Hindu nationalist as leader. Atal Bihari Vajpayee, 70, was sworn in as prime minister on Thursday, potentially ending a long tradition of secular tolerance in India's democracy. Mr. Vajpayee's reign may be brief. He has until May 31 to gather a coalition broad enough to survive a vote of confidence in Parliament. Given the fractured party alignment that resulted from recent voting, that task may prove impossible.

In the meantime, the world will be watching the positions that the new government takes regarding religious tolerance and nuclear weapons. The record of Mr. Vajpayee's Bharatiya Janata Party raises concerns on both scores.

India is a nation of exhausting diversity in language, ethnicity, religion and more. It is home to 700 million Hindus but also to 120 million Muslims and smaller minorities of Christians and Sikhs. They have certainly not always lived in harmony, but the Congress Party, which has governed India for most of the years since independence, was committed to equal rights for all and a broad acceptance of different creeds.

Many in the BJP, by contrast, believe that Hinduism should become the national religion and law. Its firebrands helped provoke the 1992 sacking of the oldest Muslim shrine in India, which in turn set off terrible Hindu-Muslim riots. The new prime minister is regarded as a moderate on such matters, and he has appointed one Muslim and one Sikh to his cabinet. But he has not repudiated many of the more inflammatory stands of his supporters, including that a Hindu temple should be built where the destroyed mosque stood.

Mr. Vajpayee, a onetime foreign minister, also has reiterated his party's campaign pledge to turn India into an explicitly declared nuclear power, with deployed nuclear missiles. Such a move, reflecting India's anxiety about China as well as about Pakistan, would almost certainly prompt Pakistan, India's Muslim neighbor, to accelerate its nuclear program and respond in kind. The heightened tensions could prove extremely dangerous.

It is not for outsiders to dictate domestic policy to another nation, particularly one as democratic as India. But it is reasonable to hope that since the Hindu nationalists, while winning the largest block of seats in the new Parliament, gathered only 22 percent of the popular vote, they will move in the direction of tolerance and restraint.

—THE WASHINGTON POST.

Indexed Bonds at Last

The Clinton administration's decision to issue indexed bonds — government bonds that protect the purchaser from inflation — is welcome news for investors, taxpayers and the overall health of the American economy. The administration deserves credit for overcoming obstacles that have blocked this good idea for years.

Indexed bonds would, in effect, pay an investor a fixed rate of return, probably around 3 percent, above the rate of inflation. As obligations of the federal government, they would not carry the risk of default.

Held to maturity, these bonds would be a risk-free way for investors to save for retirement.

The bonds will be especially attractive to unsophisticated investors who wish to avoid buying stocks.

Taxpayers would gain from indexed bonds because government borrowing costs, and therefore the need to raise taxes, would likely fall. The government now pays owners of nonindexed bonds an interest rate that compensates them for the risk that future inflation will erode the value of the principal and interest payments. With indexed bonds, bondholder risk is eliminated and the government can pay lower interest rates.

Indexed bonds will make it easier for the Federal Reserve Board to control the economy by giving it a good barometer of investor expectations about inflation. If, for example, investors begin expecting higher inflation rates, the Fed might want to counter with a tighter monetary policy. The Fed now has no reliable way to measure those expectations, and may adjust monetary policy based on mistaken assumptions.

The difference in interest rates on indexed and nonindexed government bonds will show how high investors expect inflation to be.

Indexed bonds will also give the government added impetus to control inflation. Otherwise, it would be required to funnel extra payments to bondholders.

Bureaucratic inertia and opposition by Wall Street dealers have blocked the issuance of indexed bonds in the past. The dealers fear, with some justification, that purchasers are likely to hold onto these bonds rather than continually trade them, reducing commissions for bond sellers.

It took a former investment banker, Treasury Secretary Robert Rubin, to blow the whistle on his former colleagues. Indexed bonds are a victory for good government.

—THE NEW YORK TIMES.

Shaping the Internet

Technology, more than political philosophy, continues to be the force most likely to shape the Internet. That is clear even in the Philadelphia court case in which a federal appeals panel is weighing a challenge to the so-called Communications Decency Act.

The act, part of the new telecommunications law, imposes criminal penalties on anyone who knowingly provides "indecent" material via the Internet to a minor. The court heard closing arguments last week on the request by a broad coalition of Internet providers, software companies, librarians and civil liberties groups to overturn those provisions on the grounds that, although intended to protect children, they do so in a way that would cripple a developing medium and restrict a broad range of otherwise constitutionally protected speech — unnecessarily, they argue, in light of the medium's nature and the other available tools for reaching that goal.

It is that question of what is "unnecessary" that has made technical rather than legal issues the focus of testimony.

The government, seeking to defend the law, argued that it could be implemented by means of an electronic system of "tagging." Transmitters would be obliged to identify any piece of information they sent out as acceptable or unacceptable for minors — and would be criminally liable if they failed to do so.

Those challenging the law responded that it is technically unfeasible to tag data like this at the transmitter's end, partly because of the way packages of data travel on the Internet — not all together, but by a variety of routes, converging only at their destination. Also, the legally undefined and probably undefinable nature of the "indecency" standard contained in the law would make the transmitter's decisions all but impossible. (The law also was specifically written to include, rather than protect, such transmitters as libraries and museums, whose burden under such a "tagging" system would be nightmarish.)

Plaintiffs instead stressed the technical superiority of filters that work at the arrival point, such as commercial Internet "nanny" software products like SurfWatch, which allows individual parents to filter out adult or other material. Software companies testified about the power of a jointly developed transmission technology called the Platform for Internet Content Selection, or PICS, which they have promised to enter into voluntarily and which allows easier application of different "nanny" filters by different groups — so that, for instance, a family could buy selection software from the American Family Association screening out sexual material and references, or from an anti-gun group that screened out weaponry sites or violent video games.

These arguments rely on a broader understanding of the new technology and of the inherent flaws in a law not intended for it, but clumsily adapted from broadcast. The Internet is not a broadcast medium, where the basis for regulation is that transmissions can be "pervasive" and viewers cannot avoid being exposed to them. It is something entirely new — a medium where you choose at every step what you want to see or read.

—THE WASHINGTON POST.

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China Policy That Successfully Courts Failure

By Jim Hoagland

NEW YORK — The best thing that can be said about the U.S. threat to impose punitive trade sanctions on $3 billion worth of Chinese goods is also the worst thing that can be said about it: In the end, President Bill Clinton had no choice but to make it.

That is the most curious aspect of the Clinton China policy. Time after time on China, the White House has left itself with final options that are no better than gruesome. Time after time, it has publicly defined failure and then pursued a course that left no other outcome.

Secretary of State Warren Christopher came to New York on Friday to argue that the Clinton policies on China "have opened important new opportunities for U.S.-China cooperation on a broad range of shared interests." Someone should check to see what the secretary has not been inhaling.

China is not interested in cooperating or engaging with America for the sake of engagement or mutual benefit. The Leninist leadership of Beijing sees itself engaged in a long-term confrontation that it is determined to win.

U.S. actions toward China have been contradictory and lacking in strategic purpose. As Washington delivered the threat of trade sanctions to protect compact disks, Mr. Christopher was defensively accepting the patently false assertion of the Chinese government that it had not known about the export of sensitive nuclear material to Pakistan. That way he did not have to recommend still more serious sanctions.

Even where America has done the right thing, as in finally moving to bolster Taiwan against Beijing's military threats, it has done so in tardy, grudging fashion that undercuts its purpose.

That is likely to be the case now with the president's looming decision to renew most-favored-nation trading status for China by the beginning of June.

Most-favored status gives China the same access to the American market that almost all other nations enjoy. Normal trade will help erode the Communist dictatorship that still runs the world's most populous nation. Not by much, admittedly; but it helps.

But when the president announces his decision to renew MFN, the Chinese will see it not as cooperation but as surrender. The renewal — I repeat, a good thing in itself — will have the taint of being a concession both to the Communists of China and to American corporations that have exerted heavy pressure on the White House.

In 1993, Mr. Clinton coupled his first renewal with a stirring defense of human rights and dissent in China. He would be forced to suspend trading rights if China did not improve its record on human rights, he warned. Beijing belligerently stonewalled him. A year later, Mr. Clinton acknowledged the failure of his original policy. He renewed most-favored status in the absence of any change by China.

Mr. Christopher played a key role in another example of defining failure and then assuring it. He promised Beijing last year that he would not give Taiwanese President Lee Teng-hui a U.S. visa. In a few weeks he had to do just that under congressional pressure.

The culprit in this situation is China, not the Clinton administration. Beijing, not surprisingly, senses a strategic vacuum in U.S., Western and Japanese policy-making on Asia. Beijing, not surprisingly, believes that this White House can be bullied and lied to without significant reprisal.

This gives China room to assert flagrantly its regional military ambitions over Taiwan and in the South China Sea, and to push to reshape international trading rules in ways that would allow it to become a dominant global economic power on its own terms.

But in each of the conflicts that Beijing wages — stonewalling on MFN, missile tests to intimidate Taiwan, the struggle over Chinese membership in the World Trade Organization, violation of its promises on nuclear nonproliferation, cheating on intellectual property rights agreements — the administration's responses are self-contained and taken with scant regard to the others. Moreover, each step is unduly influenced by short-term political and economic concerns.

For Beijing, each battle is one more step in a long-term struggle to erode U.S. influence in Asia and the Pacific. The administration prefers to focus on Chinese words about the value of America's presence in the region, rather than face up to Chinese actions that consistently undercut that presence.

The White House can still hope, as Mr. Christopher hinted in his speech on Friday, for a surprise settlement in the trade sanctions row over illegally copied movies, compact disks and software. But the fact that the president finds himself going to the trade brink with Beijing on this issue underscores the hollowness of the engagement policy.

The Chinese betrayal in this instance was too obvious, especially to important Clinton campaign contributors, for the president to blink it away. The first step to changing this policy of defining and then assuring failure is for the administration to recognize the long-term nature of the struggle and the true nature of the Leninist leadership in Beijing.

The Washington Post.

All This Talk of 'Asian Values' Sends an Unhelpful Message

By Timothy Ong

BANDAR SERI BEGAWAN, Brunei — I am not sure what Asian values are. I think I know what Malay, Muslim values are because I live in a Malay, Muslim society. I think I know what Chinese values are because I am a descendant of Chinese immigrants. I think I know what Australian values are because I am married to an Australian woman.

But Asian values — a common, distinctive value system which embraces the rich dynamic cultural diversity of Asia in an interdependent world — I find quite elusive.

Even the simple verities I have just mentioned are constantly challenged. When I observe the emergence of the new Malay in Malaysia — assertive, confident and commercially savvy — I am reminded how rapidly values can change with strong leadership.

When I travel in the Chinese world and observe the differences in work ethic among Chinese in China, Taiwan and Hong Kong, I am reminded how values are shaped by the political and economic context. Diligence may be a cultural trait, but it is certainly helped by market incentives.

When I observe the success of McDonald's throughout Asia, when I hear Michael Jackson in Rangoon and witness the emergence of a common youth culture from Bandar Seri Begawan to Bombay, when I read of sharply rising divorce rates in China, I am reminded of the powerful challenge to traditional values posed by modernization and the pressures toward some kind of cultural convergence.

When I observe the growing ranks of young Asian corporate executives spawned by Western multinationals who speak to each other mostly in English and whose common badge is an MBA degree from a North American university, I am reminded how intertwined our world has become.

It cannot be denied that values such as the centrality of the family, frugality, hard work and sacrifice, which are so much in evidence in East Asia, have played an important contributing role in its remarkable success. But are these very important values uniquely Asian?

Were they not also very much in evidence in the economic rise of the West? Did not Max Weber have these values in mind when he posited the causal link, largely discredited now, between Protestant religious values and the emergence of capitalism in the West? Will not these values in the diverse societies of Asia be increasingly challenged as those societies develop and modernize?

"Asian values" as the main explanation for Asia's economic success is inadequate on both intellectual and political grounds. There are three key objections.

First, high economic performance in Asia has taken place both within the context of cultural homogeneity and in cultural diversity. Embracing all the high-performing economies of Asia under the category "East Asia" is convenient but obscures a basic distinction between societies of Northeast Asia that are culturally homogeneous (Japan, South Korea, China, Taiwan, Hong Kong) and the culturally diverse societies of Southeast Asia.

Confucianism may be a plausible explanation for the economic success of Northeast Asia but is hardly so for the successful economies of Southeast Asia, which comprise Islamic, Christian, Buddhist, Confucian, Hindu and a host of other cultural traditions.

Second, "Asian values" cannot explain vast differences in economic performance between societies sharing the same value system. A stark example of this is the divergence in the economic fortunes of Burma and Thailand, which share roughly the same traditional value system.

At the start of this century, Burma was wealthier than Thailand. Almost a century later, Thailand is almost 10 times wealthier than Burma. The difference, of course, does not lie in culture but in the divergent economic and political paths taken.

Third, "Asian values" cannot explain a society's economic success in one historical period and its failure in another. As one observer has asked: "If Confucianism explains the economic boom in East Asia today, does it not also explain the region's stagnation for four centuries?"

Politically, an emphasis on "Asian values" sends out the wrong message. For some time now I have been concerned that when Asians discuss their economic success with the rest of the world, they should de-emphasize uniqueness and emphasize interdependence.

What separates them from the rest of humanity is less important than what they have in common with it. Asians should de-emphasize their distinctiveness as a region and emphasize their vested interest in a global economy in which technology, trade and investment flow freely.

Asians should not aspire to an Asian century; that is a futile dream in an interdependent world. We should aspire to a global century in which Asia with its cultural richness has pride of place and so much to offer.

The writer, a businessman, was Brunei's representative in an Eminent Persons Group of the Asia-Pacific Economic Cooperation forum. He contributed this comment to the International Herald Tribune.

A Fateful Moment for North Korea

By Stephen S. Rosenfeld

WASHINGTON — If North Korea were not North Korea, a solution to the explosive problem posed by its record of aggressiveness, its strategic isolation and its presumed nuclear status would now be on the way. Its people, or some of them, are on the verge of starvation. The United States, Japan and South Korea could easily provide food aid.

Such a display of international good faith could melt enough of North Korea's suspicion to propel negotiations along on the famous sought "soft landing."

But, of course, North Korea is North Korea, with a totalitarian leadership whose evident first purpose is to maintain the regime and its second to tuck South Korea into its orbit.

In its first purpose, it has succeeded to an extent that must make the leadership swell even as it peers into an uncertain future. In its second purpose, it has utterly failed. But it is still at it — trying to tempt the United States into the sort of peace treaty that would enlarge its place on the Korean Peninsula.

It is unthinkable that the United States, having with vigilant arms helped deny North Korea the prize of presiding over Korean reunification, would with careless diplomacy assist it now to win that prize.

The North's acknowledged and fairly well established food shortages add some urgency to U.S. policy deliberations.

Distress on the farms, even in a country where the government can arbitrarily tighten the people's belts, sharpens the question of whether the Northern regime is "viable." One's answer opens up a broad range of speculation on whether the regime might "implode," stage a desperation attack on the South or simply muddle through, and on how America and its Asian allies might address the various scenarios.

The working assumption of the American government is that the regime is viable until it shows itself otherwise; meanwhile, it is a responsible interlocutor in negotiations with the United States. This does not mean that North Korea has earned others' trust. It means that it is looking to see what results negotiations may bring it. There is nothing ominous in that. The United States is doing the same careful thing.

When you look at the negotiating table broadly, however, it is striking how much the North Koreans have put on it. With the nuclear agenda, their whole strategic posture and defense system can come under discussion. With their call for a new peace treaty, they offer to alter their whole diplomatic posture. Their economic future is on the table, plus their relationship with Japan, South Korea and others.

The request for food aid puts a regime that has always emphasized "self-reliance" in the position of begging abroad for the margin of its people's survival.

In short, what is for the distant, powerful United States an important but contained regional diplomatic initiative is for the North Korean regime an ultimate forum in which it has submitted just about every significant aspect of national life to joint disposition with forces regarded until now as supremely hostile.

It makes me wonder about two things:

First, is North Korea up to it? Are the few people who count in Pyongyang able to take the large risks for their personal power and for their regime's continuity that progress in negotiations will inevitably require? How could they have allowed themselves to stumble to the table in the first place, anyway?

And is U.S. diplomacy up to the heavy demands upon it? Can it respect core interests (not handing over the South to the North, ensuring the North's denuclearization, managing a peaceful transition) and keep the North's leadership at the table?

An early and crucial part of the answer will come from the reassuringly collective latest U.S.-Japanese-South Korean statement on food aid: No aid until the North signs up for Washington's new proposal of four-party peace talks (the two Koreas, the United States, China). This is a quiet moment in North Korea's deliberations, and a fateful one.

The Washington Post.

The Gasoline Tax Ought to Go Up

By Thomas L. Friedman

WASHINGTON — I have a confession to make: Even before the old Bob Dole became the new Bob Dole, our family station wagon wasn't exactly plastered with his bumper stickers. But last week I returned from an overseas trip to find that Mr. Dole was proposing to repeal the 4.3-cent-a-gallon gasoline tax, and I've changed my mind about the old guy.

Yes, sir, scrapping the gasoline tax. That's the sort of leadership America needs; that's the sort of spirit of sacrifice the country's been missing: a president who's ready to sacrifice the budget, to sacrifice the environment, to sacrifice energy conservation, to sacrifice oil reserves in order to save the American people 4.3 cents a gallon.

And when Mr. Dole's sidekick Dick Armey, the House majority leader, suggested that we consider cutting the education budget to make up for the lost gas tax revenue, well, then and there I knew I was a Dole man. I mean, cutting education to save Americans a few pennies a gallon at a time when their gas is already the cheapest in the world — that's the kind of thinking that will keep us the world's most competitive nation in the 21st century. I sure hope the Japanese don't get that idea.

Are we Americans out of our minds? Raising the gas tax has been one of the few smart things we have done in recent years. It promotes energy conservation, it helps protect the air, it encourages development of alternative energies, it promotes national security by reducing U.S. dependence on foreign oil supplies — *and* it reduces the budget deficit. That 4.3-cent-a-gallon tax raises $5 billion a year. It is one of the reasons the deficit has been cut in half since 1993.

Any proposal to repeal the gas tax should be hooted out of Congress with scorn. Unfortunately, that is not what President Bill Clinton did. Instead he is trying to trade his support for this idiotic gas-tax repeal for a Republican endorsement of his proposal to raise the minimum wage — the worst sort of election-year poker. Mr. Clinton is saying to Mr. Dole, "I see your foolishness and I raise you one."

It is hard to believe that the Dole proposal for repeal of the gas tax is effective even as political pandering. How many people are going to change their votes from Clinton to Dole over 4.3 cents a gallon?

Moreover, how can Republicans argue that a balanced budget and deficit reduction are the two most urgent priorities in American politics and then, when gas prices go up a bit due to seasonal factors, simply discard the gas tax without regard for the long-term budget implications? "It only makes sense politically if it is part of a broader Dole strategy for lowering taxes," says Bill Kristol, editor of the conservative Weekly Standard.

And then for Mr. Armey to even hint that we might pay for this giveaway by cutting education — that takes your breath away. For a cheap political high with the shelf life of a dead fish, a House Republican leader is ready to cut $5 billion a year from education?

How could such a thought even cross Mr. Armey's mind? Forget about what a Dole presidency would be like; if this keeps up I'm not sure we can afford a Dole candidacy.

The truth is, we should be *raising* our gas taxes. Gasoline is probably the best bargain commodity in the U.S. marketplace. The latest blip aside, the real price of gasoline in America has been falling for 15 years. (And if the Iraqi oil sanctions are eased, gas prices in the United States will likely resume that downward trend.)

In France and Italy, gas goes for up to $4.50 a gallon; in Japan it costs $3.75. Most of the difference between their prices and ours is taxes that those governments use to finance public services. We could put a 50-cent-a-gallon tax on U.S. gasoline, get rid of the deficit, and still have a huge competitive edge over the Europeans and Japanese.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Archduke Dies

BERLIN — The death of Archduke Charles Louis [from intestinal catarrh] is of immense importance for the Austrian succession. His Imperial Highness's death will undoubtedly greatly depress the Emperor Francis Joseph. It is a huge loss for the Russophile and anti-Hungarian parties in Austria. The Archduke Ferdinand Charles will probably be declared heir presumptive to the throne.

1921: League Apart

LONDON — Mr. George Harvey's first public appearance in the Old World as Ambassador of the United States marked the definite end of "Wilsonianism." The new Ambassador spoke at the dinner of the Pilgrims Society, where the Duke of Connaught presided and Prime Minister Lloyd George proposed Mr. Harvey's health. As President Harding's first Ambassador to make a public utterance, he said that the United States will have no part in the League of Nations, and told them plainly that America had entered the war neither to save Britain, France or Italy, but to save the United States.

1946: Fatal Plunge

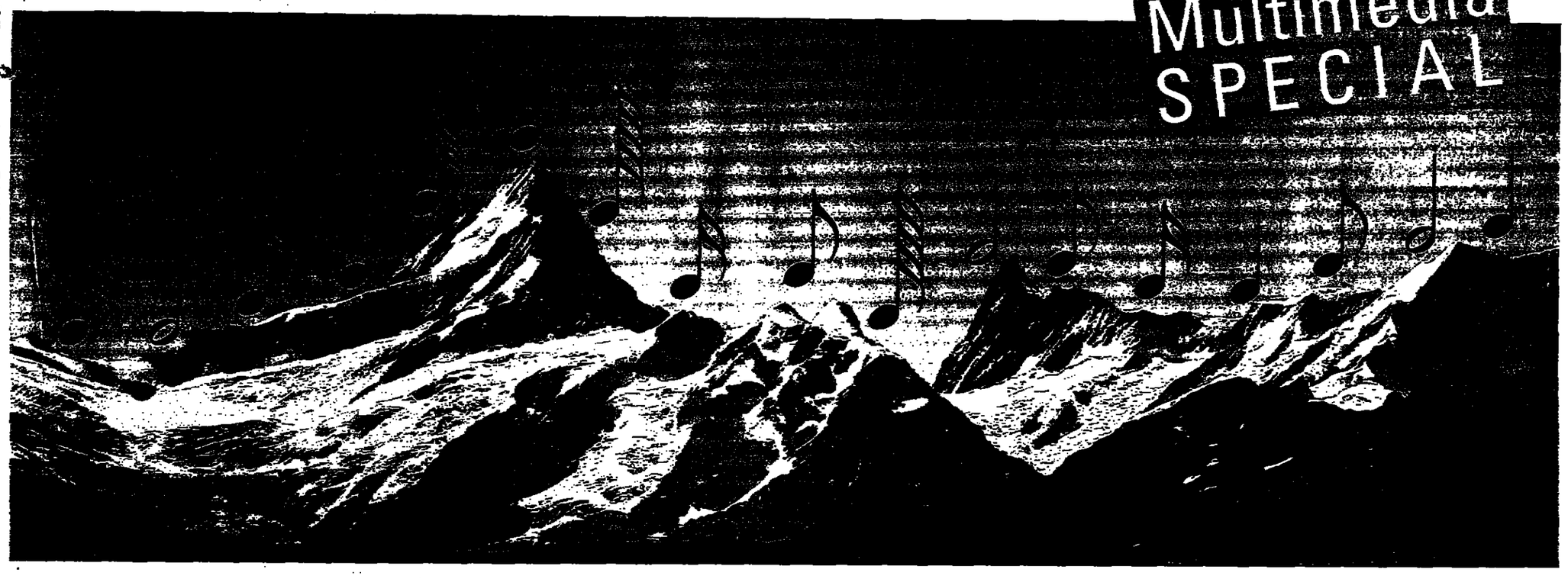
FRANKFURT — An American War Deparment typist was fatally injured when she jumped or accidentally fell from the second floor of an American captain's bachelor aparment, in the U.S. Army Headquarters compound here early yesterday [May 19]. Miss Dorothy Knapp, died at the 97th General Hospital more than 12 hours after a German charwoman found her lying nude and unconscious on a backyard porch. The officer with whom Miss Knapp was reported to have spent the night was not arrested, but was restricted to the headquarters area.

SIEMENS NIXDORF

INFORMATION TECHNOLOGY

IT WORLD NEWS

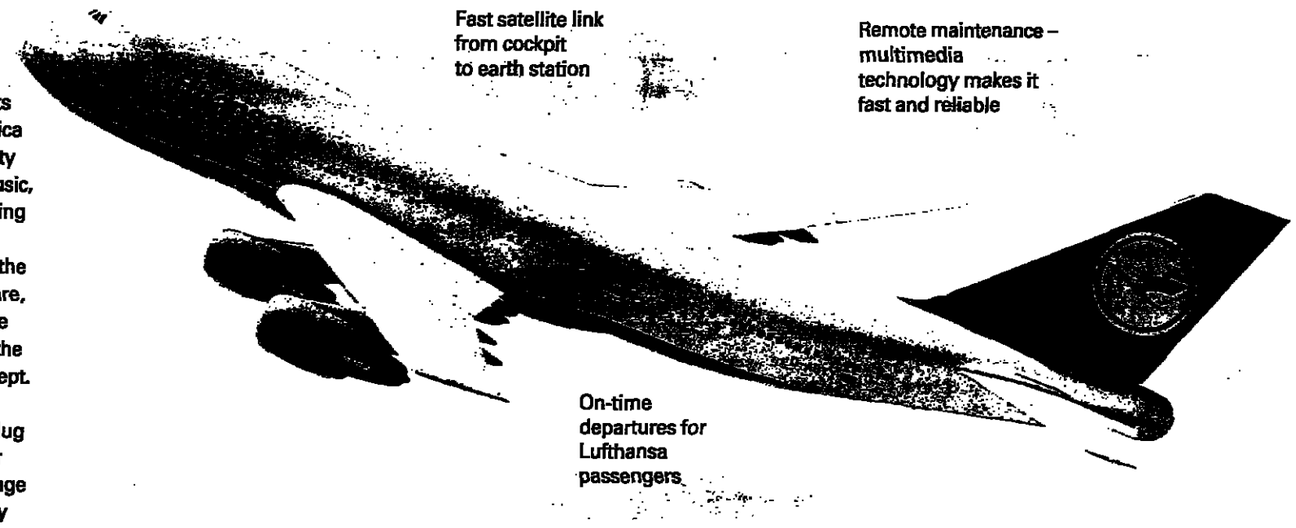
Multimedia SPECIAL



Zurich: Multimedia puts a song in the music business.

Switzerland's Musik Hug AG has launched a multimedia information concept it calls "Gga Music Browser." Musik Hug AG contracted with Siemens Nixdorf to provide complete management of the project: from initial consulting all the way through to support and final implementation, including a LAN network.
Planning calls for networked multimedia stations to be used in Hug AG's retail outlets throughout Switzerland.

Founded in 1807, Hug AG, along with its subsidiaries Musica Nova AG and Musica Viva AG, is Switzerland's largest specialty retailer for musical instruments, sheet music, compact discs and accessories, generating annual sales of over Sfr 78 million.
All of the objectives behind the idea for the information kiosk system – customer care, promotions, publicity and an innovative image – were able to be achieved with the implementation of this multimedia concept. The system is operated from a 17-inch touch-screen monitor. Designed with Hug AG's image in mind, the individual user interfaces reflect a combination of heritage and vision. All of the functions are highly intuitive and do not require any computer literacy on the part of the user.

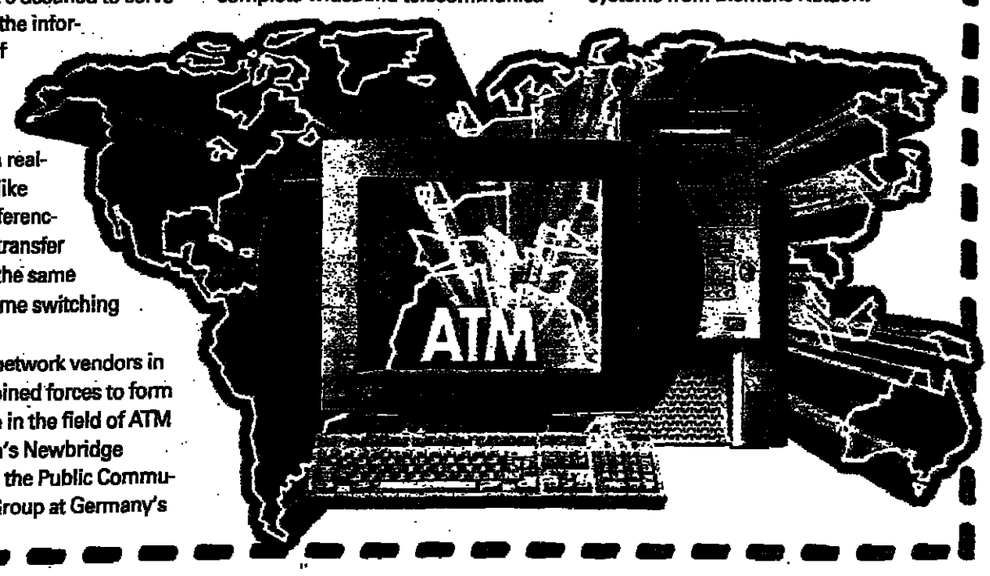


Frankfurt: Lufthansa German Airlines takes off with multimedia remote diagnostics.

A multimedia maintenance system is changing the face of aircraft maintenance at Lufthansa German Airlines: BISAM – as the project is called – stands for Broadband Integrated Services for Aircraft Maintenance.
Together with Lufthansa, the multimedia BISAM application is being tested by Sietec Systemtechnik and Lufthansa Systems under a contract from Deutsche Telekom's DeTeBerkom subsidiary in Berlin. This project is presently undergoing national field trials with 18 systems in various Lufthansa locations – initially shadowing conventional maintenance and repair operations. And international links to the United States and Japan are already on the drawing board.
Sietec was responsible for the elements of systems integration and project customizing. BISAM enables downtimes and maintenance costs to be reduced. Which assures on-time takeoffs and landings, as well as a competitive advantage for Lufthansa that underscores its capabilities. Because even though aircraft are maintained to high standards of engineering, too little technological support is being provided for conventional maintenance procedures. With BISAM, squawks can be reported while still airborne – either via automated monitoring systems or by the crew. Automatically encoded, they are transmitted to the BISAM database by satellite. This allows the maintenance technicians at the destination airport to prepare for the job effectively, even before the aircraft lands, to obtain the required parts, and to request assistance from any specialists who may be needed. To make the job even easier, BISAM also supplies the correct repair strategy along with each squawk. Plus the latest data, since each operation is stored and analyzed.
BISAM can even eliminate the need for on-site specialists: with the video conferencing module in BISAM, worldwide communications and conferences are possible from any work place. Multimedia remote diagnostics thus enable numerous squawks to be assessed and resolved in less time and at lower cost. Lufthansa's workstations also allow high-definition images of even hairline cracks or minute corrosion to be sent directly to the expert's screen via Deutsche Telekom's high-speed ATM networks.
A method that will considerably simplify aircraft maintenance in the future.

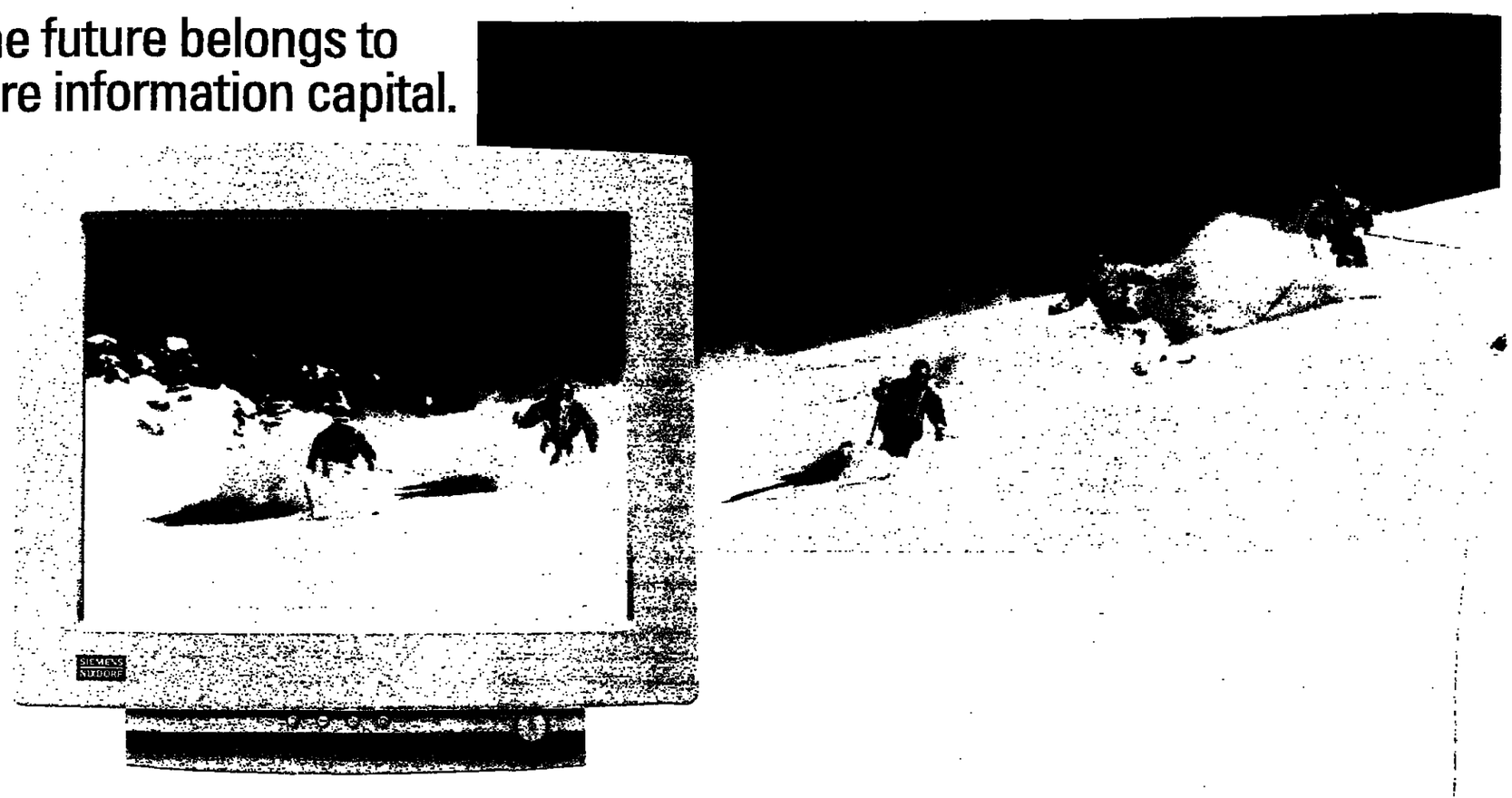
Newbridge, Siemens and Siemens Nixdorf – German-Canadian alliance for multimedia networks.

To keep up with the breathtaking pace of development in new communication options, there'll be no getting around ATM technology in the future. ATM stands for Asynchronous Transfer Mode. It's a high-speed wideband communication solution that's destined to serve as the platform for the information highways of the future.
What's so revolutionary about ATM is that it allows both real-time applications, like voice and video conferencing, as well as data transfer to be handled over the same network with the same switching technology.
Two of the leading network vendors in the industry have joined forces to form a long-term alliance in the field of ATM technology: Canada's Newbridge Networks Corp. and the Public Communication Networks Group at Germany's Siemens AG, which will bring Siemens Nixdorf IT expertise to the alliance. Under this partnership, the world's most comprehensive product portfolio for wideband communication networks – ranging from access technology and switching systems all the way to complete wideband telecommunication networks – is now taking shape. Customers will benefit from this partnering agreement by being able to single-source consistent, all-encompassing solutions: corporate and public networks from Siemens together with Newbridge and multimedia end-user systems from Siemens Nixdorf.



SIEMENS NIXDORF

Upper Austria: The future belongs to the bank with more information capital.



A multimedia pilot project is ringing in a new information age in Austria. Since the summer of 1995, the Raiffeisen Bank branch office in the town of Ort has been equipped with the prototype of an information service terminal that is turning this bank into the town's communications hub. An objective that will soon be reality in all of Austria's Raiffeisen financial institutions.

The electronic kiosk was developed jointly by Siemens Nixdorf Austria and systems house Programm- und Systementwicklung (PSE), a unit of Siemens Austria.

Thanks to its cutting-edge technology, operating the system is child's play. Touch one of the information points that are displayed on the screen and the wizardry of the "point of action terminal" serves up everything worth knowing: the local calendar of events, information about the town's groups and organizations, as well as current club happenings.

Or questions about local continuing education offerings, a look at current trainee vacancies or the labor service's job exchange. And, of course, the Ort Raiffeisen Bank provides audio and video information about its staff and its complete portfolio of products and services. If desired, the user can easily print out the information that has been presented on the screen. The service is offered free of charge and is available to every visitor to the bank, whether a customer or not.

In its concept and technology, the electronic kiosk is equipped for every need: CD-ROM drive, sound card, stereo speakers, 17-inch touchscreen and laser printer. And a microphone, camera or magnetic stripe card reader can also be attached.

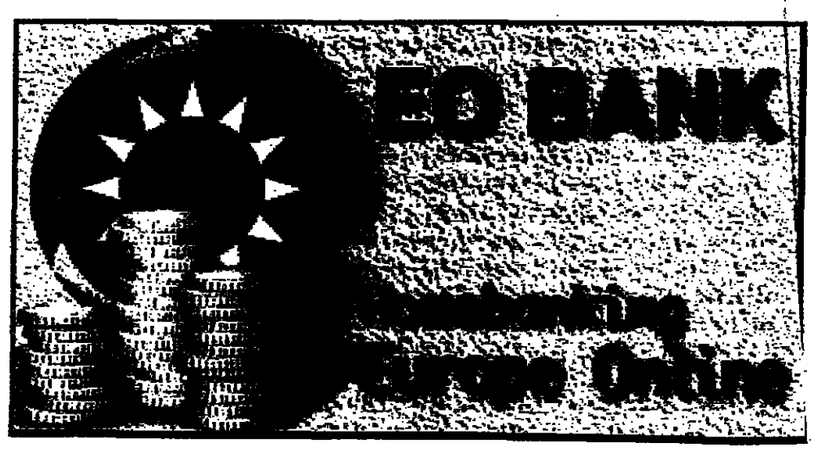
Implemented by Siemens Nixdorf and Siemens AG, these information kiosks are paving the way for Austria's Raiffeisen banks to enter a multimedia future where the focus is on people.

Luxembourg: Gateway from Siemens Nixdorf opens Europe Online for the home banking world.

New and dependable channels are opening Europe Online for the world of home banking – with a gateway that comes from Siemens Nixdorf. Customers will soon be able to choose which network and which bank they would like to use for their home banking needs. Because all of the home banking solutions that formerly were restricted to the T-Online service can now be used via Europe Online. But there's much more to the story than that: with Europe Online, banks can design their home banking solutions to their own CI standards and incorporate the look and feel of WWW multimedia applications. And the interactive structure of the special Windows user interface makes the system especially easy to use.

The focal point of this new concept is the gateway from Siemens Nixdorf, which links the Europe Online system with the bank's external server: an RM600 running OnServe software from Siemens Nixdorf.

With the gateway from Siemens Nixdorf, this Luxembourg service provider now opens the gates to a multimedia future for home banking.



Barcelona: Classrooms go multimedia.

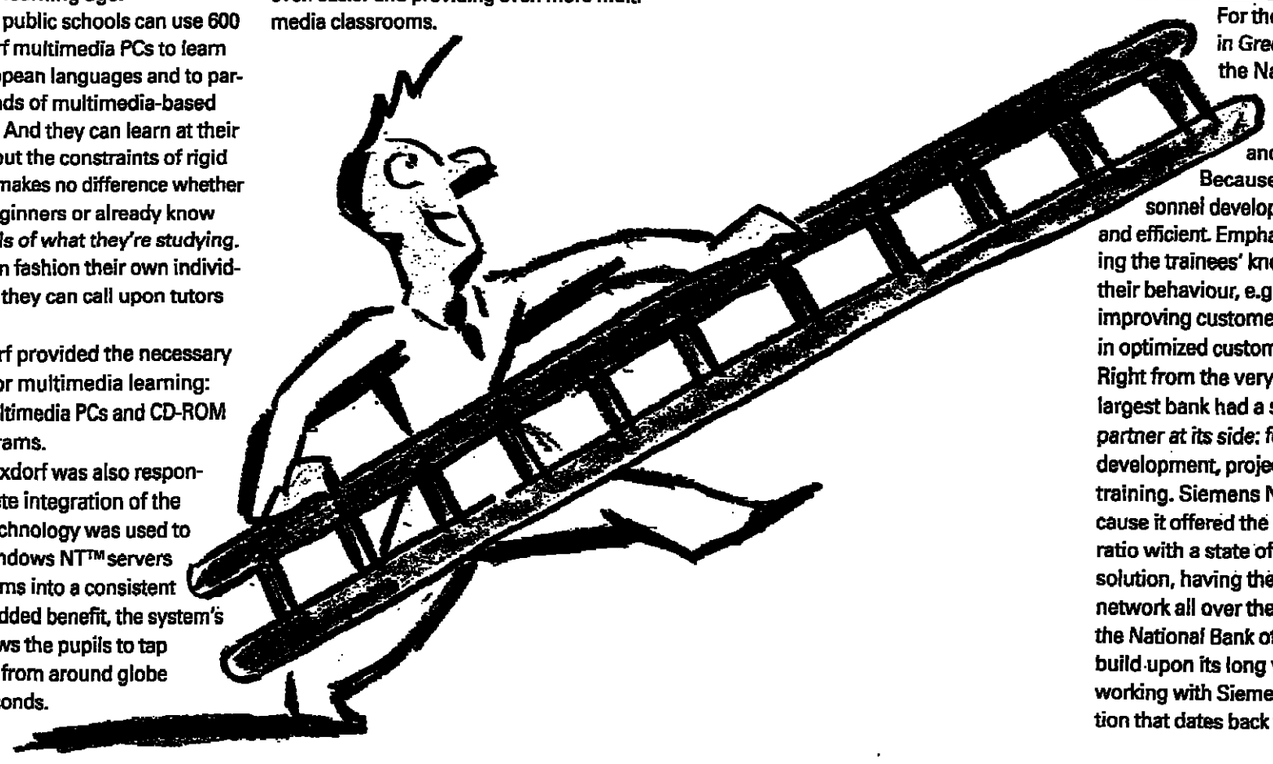
With its PIE (Programa de Informática Educativa) initiative, the Catalan government's Ministry of Education has now entered the multimedia learning age.

Today, pupils at public schools can use 600 Siemens Nixdorf multimedia PCs to learn a variety of European languages and to participate in all kinds of multimedia-based special courses. And they can learn at their own pace, without the constraints of rigid course hours. It makes no difference whether the users are beginners or already know the fundamentals of what they're studying. Because they can fashion their own individual curricula, or they can call upon tutors for advice.

Siemens Nixdorf provided the necessary infrastructure for multimedia learning: with SCENIC multimedia PCs and CD-ROM self-study programs.

And Siemens Nixdorf was also responsible for complete integration of the systems. LAN technology was used to integrate the Windows NT™ servers and UNIX® systems into a consistent network. As an added benefit, the system's Internet link allows the pupils to tap into information from around globe in a matter of seconds.

Because of the resounding success of the PIE project, the Ministry of Education intends to extend the multimedia network with the objective of making learning even easier and providing even more multimedia classrooms.



Athens: National Bank of Greece offers its staff multimedia career path support.

For the first time implemented in Greece: *Multibank* provides the National Bank of Greece with an innovative instrument for training and educating its staff.

Because Multibank makes personnel development cost-effective, fast and efficient. Emphasis is placed on enriching the trainees' knowledge and improving their behaviour, e.g. by facilitating and improving customer orientation resulting in optimized customer relationships.

Right from the very beginning, Greece's largest bank had a strong and competent partner at its side: for advice, multimedia development, project management and training. Siemens Nixdorf got the nod because it offered the best price/performance ratio with a state of the art innovative solution, having the most available service network all over the country. What's more, the National Bank of Greece was able to build upon its long years of experience in working with Siemens Nixdorf, an association that dates back to 1968.

Multibank offers a broad range of training and educational offerings for the bank's more than 15,000 employees: fundamentals of marketing, market research, new banking products, marketing strategies, selling and customer interaction techniques, fundamentals of accounting and much more. Based on multimedia PCs, peripherals and network, all from Siemens Nixdorf – *Multibank* helps the staff at the National Bank of Greece travel faster along their career paths.

Frankfurt: Starting shot fired for multimedia electronic banking at Deutsche Bank.

With the development of the next generation of db-dialog, Deutsche Bank is opening up new opportunities for its customers: a user-friendly electronic banking program is assuring that all of the customer's typical banking needs can be handled easily and around the clock from a personal computer. The MS Windows application has a new and attractively styled user interface.

Deutsche Bank and Siemens Nixdorf joined forces to develop the multimedia electronic banking idea into a viable product. Deutsche Bank customers will soon be able to benefit from it. With db-dialog, Deutsche Bank now has a high quality software product that saves customers time and money, while assuring competitive advantages for Deutsche Bank. Siemens Nixdorf is playing a major role in making Deutsche Bank's electronic banking offerings more comprehensive and attractive.

To make a virtual visit to a Deutsche Bank branch office, all the customer needs – in addition to a personal computer – is a modem and a T-Online ID. If the PC is additionally equipped with a sound card, electronic banking becomes a true experience. The basic functions, like electronic funds transfers or balance and transaction inquiries, are implemented on a multibank basis, i.e. they can be used for virtually all banks with online capabilities. A special service that Deutsche Bank provides to its customers allows them to display their securities custody accounts complete with current price information. In addition, it is also possible to query the prices of leading equities that are traded in Germany, the United States and Japan. And, as an extra service, this attractive multimedia application also enables customers to place direct orders, i.e. to buy or sell securities.



Siemens Nixdorf is helping to build the European multimedia house.

MATES, a project being sponsored by the European Community, is a major factor in designing and employing multimedia technology in the engineering sector.

The objective of MATES–Multimedia Assisted distributed TeleEngineering Services – is to create a distributed work environment conducive to the efficient implementation of development and knowledge-intensive projects, in particular, regardless of where the participants are located. A further aim is to establish telecooperation centers throughout Europe incorporating new communication channels like the Internet for providing consulting services and allowing know-how to be transferred.

Involved in the project are partners from France, the Netherlands, Spain, Sweden and Germany; the partners are handling tasks that are related to their specific interests: user organizations, application and technology vendors, systems integrators and service providers.

As a technology vendor, Siemens Nixdorf is participating with its Cadlab research laboratory. At the same time, Cadlab is also responsible for project coordination.

Siemens Nixdorf subsidiary Sietec, whose activities focus on project business, has assumed responsibility for systems integration.

The long-term focus of utilizing the findings from this project to help develop a more effective labor market is turning MATES into one of Europe's leading projects. All the more so since a study by the Gartner Group forecasts that over 80 % of all organizations will be employing half of their workforce on a telework basis by the beginning of the next millennium. This is a development that hinges upon the availability of leading-edge information systems like those for document and video conferencing.

Munich: The creative connection between the computer and Bavaria Film.

When two specialists join forces to combine their know-how in a project, there can be little doubt about the outcome: with M-BRAIN, Bavaria Interactiv, a subsidiary of Bavaria Film GmbH, and Siemens Nixdorf have launched a multimedia project that is getting things moving in the field of commercial sales promotion.

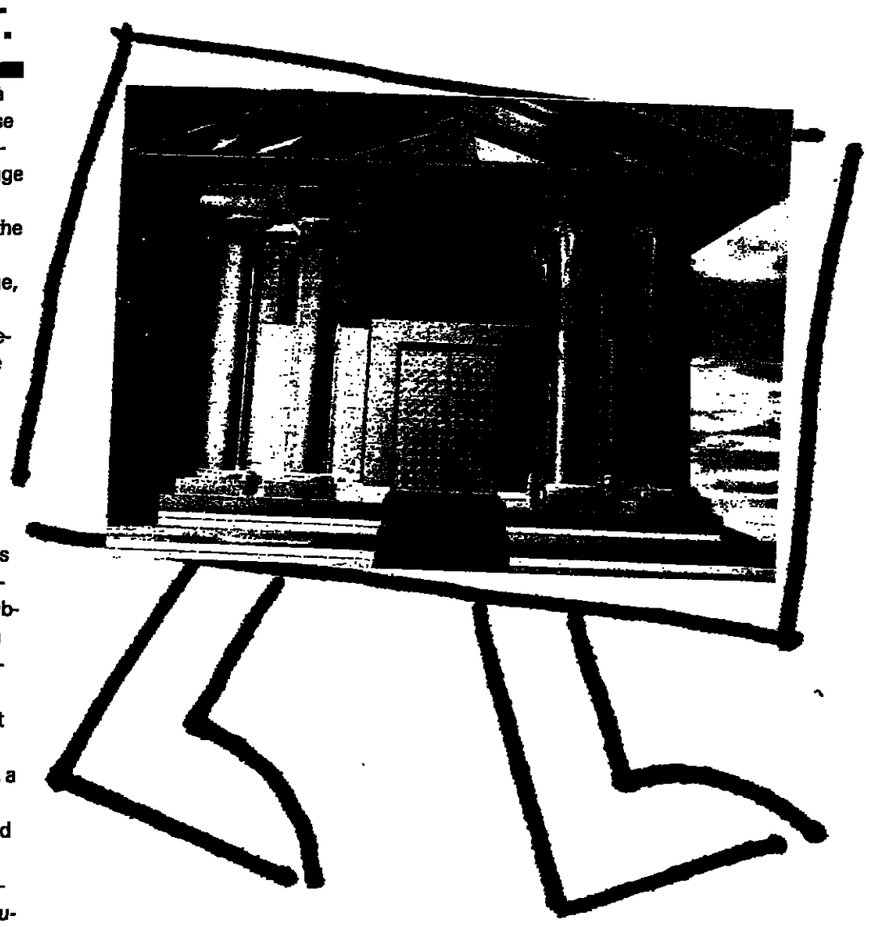
As Germany's most important TV and film studio, with headquarters in Munich and branches in Berlin, Hamburg, Cologne and Dresden, as well as operations in Hollywood, Paris, Rome and London, Bavaria Film GmbH produces some 20,000 minutes of TV programming each year. Responding to the growing interest in television, Bavaria broadened the focus of its activities: from traditional film-making to services for television companies and advertising agencies. Co-productions with private-sector television companies, design and graphics studios and advertising agencies involve a need for exchanging multimedia information among each other, and then supplementing this information and passing it on – quickly and without any loss of quality.

The M-BRAIN project offers the concept and solutions for these activities, as well as solutions for interactive television at the point of sale. A ten-step program accompanies commercial customers as they travel the road from silent sales clerks to multimedia sales terminals: the program ranges from development of the communication strategy on the basis of a customer-specific market analysis and creation of the idea and the storyboard concept all the way to custom-tailored program development and a user-friendly navigation approach created with the aid of a special development principle.

The program also includes the screen design process – with sophisticated 3D animation if desired – that is matched to the customer's specific corporate identity needs, as well as the actual film production activities, with the customer being able to draw upon all of Bavaria Film's studio resources. Plus integration and meaningful interlinking of all of the media employed, as well as complete networking. Bavaria provides the customer with the needed infrastructure, i.e. personal computers, media servers, networks and operating systems. These components come from Siemens Nixdorf. A team of specialists from Siemens Nixdorf and Bavaria Film is right there with sound advice and hands-on assistance throughout the entire creation phase and beyond.

SIEMENS NIXDORF

Brussels: If the customer won't go to the bank, the bank goes to the customer.



Three Belgian banks, Belgolaise, Crédit à l'Industrie and Crédit Agricole, are a nose ahead in the race to provide better customer care. The reason: DIVINA – Data Image Voice INteractive Applications – an all-encompassing solution for speeding up the development of interactive services that are directly available from any telephone, 24 hours a day.

Bank customers who utilize this new telephone banking service can now use the telephone to quickly and easily handle everything that used to require a trip to the bank's branch office: to query their account balances, get overviews of recent account transactions or transfer funds.

Or to obtain information about the bank's current product offerings or make changes to their personal data. DIVINA was implemented by Siemens Nixdorf's Belgian subsidiary IN2. Modularly structured, it can be fully tailored to the needs of the individual financial institution.

The idea behind DIVINA is as simple as it is effective: telephones are everywhere. Regardless of the time of day or location, a phone can be used – like a computer – to transmit signals that are then transformed into data. The engineering platform consists of an interactive voice server, a computer system equipped with voice communication cards that is able to transform digital data into verbal information or vice versa. Connected to the telephone system, this server can also be linked with other DP systems in the institution for data interchange.

Since the implementation of the DIVINA concept, customers at Bank Belgolaise can handle their banking needs in three different languages – simply by using a telephone.

From initial consulting services all the way through to installation and support, the Siemens Nixdorf subsidiary is responsible for the entire service. As well as for the matching hardware: a PC running under UNIX is installed as the voice. Which makes light work of banking business for Bank Belgolaise's customers. And not just in Belgium, but also in Africa and any country, where Bank Belgolaise also does business.

The bank "Crédit à l'Industrie" was one of the first to introduce its new customer-focused communication concept: it launched its DIVINA-based telebanking project back in June 1992. Serving as the general contractor for the project, the Belgian Siemens Nixdorf subsidiary assured that the bank's staff of more than 1,000 people and the thousands of customers were ready for the new information technology when it was introduced. IN2 developed the required applications and assured their smooth integration into the existing architecture.

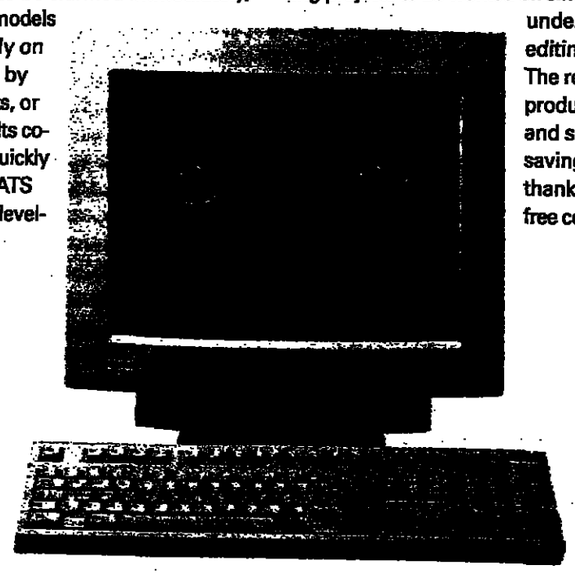
Another example of IN2's competence: introduction of a telephone banking system that was specially tailored to the needs of customers at the Bank Crédit Agricole. DIVINA served as the platform for this new service, which was implemented with methods and tools from IN2. Since its introduction in July 1994, the project – which the bank calls "Dynaphone" – has been receiving nothing but high marks from both staff and customers.

Bonn: With CATS, a conference is never more than a cat's whisker away.

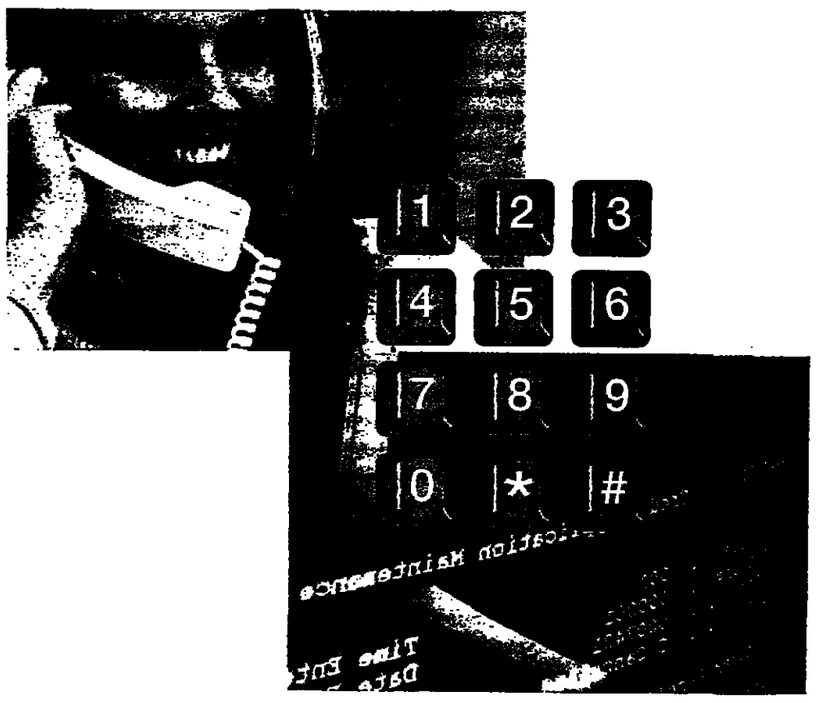
A project called CATS – Computer Assisted Telecooperation Service – that is being conducted by Deutsche Telekom and Siemens Nixdorf subsidiary Sietec – which is playing a major role in the development – is the multimedia response to management's need for cost savings and flexible utilization of existing resources. Organizations that are following the trend away from large centralized production and administration locations and toward smaller business units are faced with a problem: inter-locational communication. Because urgent questions usually have to be clarified immediately, graphics and models handled jointly on the computer by several experts, or the latest results coordinated as quickly as possible. CATS was specially developed as a telecooperation service for manufacturers and engineering offices. It utilizes ISDN to conduct audio, video and data conferences. Plus intelligent management and application software. The solution was implemented with the Joint X conferencing software developed by Sietec.

Deutsche Telekom succeeded in winning prominent participants like BMW, Benteler and the Berlin Construction Academy as pilot partners for CATS.

For the user, working with CATS is as simple as making a phone call: two or more work places are interconnected via ISDN, allowing projects to be worked on simultaneously under the joint editing method. The result: lower production cost and significant savings in time – thanks to travel-free conferences.



Brussels: JOSI brings insurance by phone.



With the implementation of the DIVINA project, a new era has dawned at Belgian insurer JOSI: Siemens Nixdorf's Belgian subsidiary IN2 provided full support in introducing its DIVINA development, from initial consulting all the way through to final implementation. IN2 used modules that were specially designed for the needs of the insurance industry to integrate DIVINA into JOSI's existing environment. The voice server, a PC running under UNIX, utilizes the insurance company's BS2000 mainframe for information interchange. This innovative voice server makes it as easy as can be for independent agents to communicate with the insurance company: using a telephone, and no additional equipment, it is possible for them to obtain rate calculations in a real-time link.

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LANGUAGE

Pondering the Use of Mull

By William Safire

WASHINGTON — Headline writers are language's Great Compressors. They look for verbs with great character and few characters. Convicts do not anticipate; they *face*; visionaries do not envision, they *see*; politicians do not promise, they *vow*. The shorter the sweeter.

Sometimes the Squeezer Squad falls into cliché. At The New York Times, the forces of freshness were pleased when the usage czar Allan M. Siegal issued a diktat against three of the weariest of overworked headline verbs. *Decry*, a verb used mainly in headlines and not in normal speech, is out; try *deplore* or, if there's room, *disapprove*, but avoid *whine*, which is pejorative.

Another new taboo is *score*; instead, try *denounce*, *brand*, *attack* or *condemn*. Replacing that worrier's favorite, *beset*, are the verbs *trouble*, *plague*, *irk* and *vex*; though those last two are rarely used in spoken English, they have the advantage of brevity.

When the anti-cliché hit list was passed around copy desks ("U-Czar Bars Trite Heads"), some of the masters of the art were concerned that favorites among older verbs might be endangered.

Not to worry: William McDonald, now deputy editor in Arts and Leisure but still The Times's legendary horseless headsman, assured his colleagues that *assail* and the past tense of *slay* were in good shape. ("*Balk*, *vow*, *ponder* flourish; *hit*, *rip*, *nab*, *craft*, *downsize* slain.")

The hottest verb in the headline world? That's easy: It's the short word for *think about*, *contemplate*, *cogitate* and *consider*. Though *ponder* is big — evidently pensiveness is coming on strong in the news — the word of the year is *mull*.

"*Mulling* the Death Penalty Option," headlines Legal Times. "Ford *mulls* recall due to ignition fires," writes USA Today (eschewing "owing to"). "Kentucky Legislators *Mull* Map," notes Congressional Quarterly.

"Recently I notice many headline writers have been doing a lot of *mulling*," writes Ellis Butler of Oneida, Tennessee. "'City Council *Mulls* Sewer Seepage.' I can live with that, but now they've started *mulling* people." He encloses a clipping from The Knoxville News-Sentinel about a movie for which "Arnold Schwarzenegger, Jean-Claude Van Damme and Sly Stallone are all being *mulled* for the title role."

Butler finds two senses of *mull* in his dictionary: "to heat, sweeten and flavor with spices," as in "*mulled* wine," and "to grind or mix thoroughly, pulverize," which he says "might be fitting for Mr. Van Damme or Mr. Stallone, judging from their recent action epics." He adds, "Let's *mull* it over."

The grinding of a mill was the origin of *mull*; the metaphor was extended in America in 1873 to mental grinding; the novelist Jack London used "*mull* it over" in that sense in a 1910 letter. But ponder that long form of the verb: "mull *over*." In the sense of "consider with care, turn over in one's mind," *mull over* used to be the usual usage, though the over was sometimes dropped. It struck me that modern usage is killing the *over*.

I ran this notion past Dr. Frederick Mish at Merriam-Webster, and he said, "I would probably never use *mull* without *over*." But when he surveyed his data base of print media to find out how often *mull* has been used nakedly in the past 10 years, he came up with a near tie.

That means editors now generally accept *mull* without *over*. Not my style: When conveying a message of "thinking long and hard," pulling my chin, going "Hmmmmm," I would never use the clipped form; it goes counter to the meaning of "examining in detail," and the word picture loses the turning, stirring connotation.

□

WILL SHORTZ, who has brought zesty humor and modern sparkle to the creation of New York Times crossword puzzles, has stepped into a hornet's nest (What's a four-letter word for hornet? I ask waspishly) with his definition for *gauntlet* as a "paddling site."

When a reader, George J. Friedman of New York, objected — arguing that *gauntlet* means "glove," and a corridor of punishment is *gantlet* — Shortz replied: "*Gauntlet* (for a 'paddling site') is sanctioned by every dictionary I've checked, and it's the preferred spelling in Random House, Webster's Third New International and Merriam-Webster's 10th Collegiate. *Gantlet* is only a variant."

But to rely on those dictionaries about this, in my view, is to fall into confusage. Their etymologists make a great case for mere spelling variance, but writers of distinction prefer the judgment in Webster's New World Dictionary and American Heritage Dictionary (which has a fine usage note explaining the confusion): *Gauntlet*, from the French, means "a glove with a flaring cuff," which you throw down when you want to issue a challenge or when your hand gets all sweaty; *gantlet*, without the *u*, comes via folk etymology from the Swedish-based *gantlope*, meaning "a course of discipline that you run past guys with clubs whacking at you from both sides."

Relatedly, Michael P. Dowling writes from Denver: "Interviewees on National Public Radio have 'run' both the *gambit* and the *gantlet* — while apparently trying out a range of options. Is this the opening move in a linguistic ordeal? What ever happened to *gamut*?"

A *gambit* is, as Dowling notes, an opening move in chess that sacrifices a pawn for some position; that has been extended to mean "an opening maneuver or statement to establish an advantage." *Gamut* comes from the Greek letter *gamma*, used by Guido d'Arezzo, a medieval Italian musician, to name the lowest note on his musical scale. Now it means "the full scale, the entire range." You can "run" the *gamut*, but nobody bangs you over the head with a club, the way people do when you run the *gantlet*.

New York Times Service

INTERNATIONAL

Cambodian Publisher's Slaying Is Called Political

Compiled by Our Staff From Dispatches

PHNOM PENH — The publisher of a newspaper critical of the Cambodian government was gunned down in a slaying that his wife described as politically motivated.

Gunmen shot Thun Bunly three times in the back on Friday as he rode a motorcycle through the capital, the police said. The two assailants fled on a motorcycle.

Mr. Thun Bunly's wife, Sou Vanny, said Saturday that he had been worried about being "targeted" by the government.

He had written articles critical of the government and Prime Minister Hun Sen.

Mr. Thun Bunly also was a member of the opposition Khmer Nation Party.

He is the fourth journalist to be killed since United Nations-supervised elections ushered in a government three years ago.

The coalition government has denied involvement in the assaults, which have targeted journalists critical of alleged corruption and other abuses of power.

The president of the Khmer Journalists Association, Pim Samkhon, said press freedom in Cambodia had been "seriously threatened."

"Any attempt against lives of journalists is an attempt to kill democratic freedom in Cambodia," he said.

The 1993 elections have failed to bring peace to Cambodia, which has been enmeshed in civil war since 1970.

The government army's annual dry season offensive recently failed to dislodge Khmer Rouge guerrillas from their strongholds in the north, and more fighting looks certain for next year.

Mr. Thun Bunly was the publisher of the Odamktek Khmer (Khmer Ideal) paper.



Ou Neakry/The Associated Press

Thun Bunly, left, leaving a court last August. He was killed Friday.

He was found guilty last year of defaming the co-prime ministers, Prince Norodom Ranariddh and Mr. Hun Sen, by publishing a letter in October 1994 titled, "The Co-Premiers Should Stop Barking."

The Phnom Penh Municipal Court levied a fine of 5 million riel ($2,000) and said that Mr. Thun Bunly would have to spend two years in prison if it was not paid.

The ruling was upheld by the appeals court late last year.

Mr. Thun Bunly, whose paper was briefly suspended but came out on Saturday morning with a cartoon of Mr. Hun Sen controlling Prince Ranariddh with puppet strings, was in the process of appealing his conviction and sentence to the Supreme Court.

King Norodom Sihanouk said recently that he was prepared to grant an amnesty to Mr. Thun Bunly and two other opposition editors convicted for anti-government articles but needed approval from Prince Ranariddh and Mr. Hun Sen.

Prince Ranariddh, who is in disagreement with Mr. Hun Sen over power sharing, said he was willing to forgive the newspapermen.

But Mr. Hun Sen said the legal process must first run its course.

(AP, Reuters)

Q&A / **Hisashi Hosokawa**

Japan to Keep Up Trade Pressure on China

This week, a delegation led by Japan's trade minister, Shunpei Tsukahara, will arrive in Paris to take part in the annual spring meetings of the Organization for Economic Cooperation and Development, the economic research organization. Hisashi Hosokawa, 55, director-general of the trade policy bureau at Tokyo's Ministry of International Trade and Industry, discussed the future of the OECD, various trade conflicts, and China's hopes of joining the World Trade Organization with Alan Friedman of the International Herald Tribune.

Q: China is impatient about joining the WTO. The United States and others say China must reduce trade barriers first. What is Japan's view?

A: The Chinese are applying for WTO membership earnestly and sincerely, and we do believe they are aware of the problem, and as they apply they need to solve the copyright piracy question and other questions relating to their industrial policy, transparency, relations between local and central government and funds for state companies.

Q: Does Japan want to take a lead in helping China?

A: We have been actively in touch with them, and we are working so they can enter soon on condition that China will also be actively involved in solving these problems.

Q: When do you think China will enter the WTO?

A: We have to be cautious about that.

Q: Will China enter in 1996?

A: We will see. We are already at midyear.

•

Q: What is Japan's view of the stalled telecommunications trade talks at the WTO?

A: The present situation is not encouraging, but we would hope the telecoms negotiation will be finished on schedule next February.

Q: And U.S. complaints that Eastman Kodak is suffering in Japan because domestic laws are rigged to favor Fuji Photo Film?

A: This is a matter of fact-finding rather than negotiation. The Kodak claim — allegations that Fuji violated Japan's antitrust law in the Japanese market — is a question of fact-finding, not negotiation.

•

Q: On June 1, Donald Johnston of Canada takes over as the first new chief of the OECD in more than a decade. What are Japan's priorities for the organization?

A: This week's meeting is supposed to cover three areas: the macroeconomic outlook, the multilateral trading system and the future of the OECD.

In the first category, we will have to accept that globalization is seen in a positive manner, and that means that deregulation must go further, and that closer trading ties are very important.

Two, the World Trade Organization ought to be strengthened. We would like to see the Singapore meeting of the WTO this year adopt new issues such as trade and the environment, and trade and investment.

Q: And trade and labor rights?

A: We support the OECD report which says that labor rights and wages do not impact on trade so much.

Q: And the OECD's future?

A: The OECD has been known and has enjoyed a reputation in the area of long-term analysis, and it should keep that function. After the end of the Cold War, democracy and market mechanisms have become incontestable values, and the OECD is the forum where member countries will respect such values. But the OECD should also be the forum where we look at emerging problems and nonmembers.

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BOOKS

ALMOST ADAM

By Petru Popescu. 544 pages. $24. William Morrow.

Reviewed by Paul Preuss

A VICTORIAN lady, hearing of Darwin's proposal that man is descended from the ape, wrote to another: "Let us pray that it is not true. But if it is true, let us hope that it does not become generally known." Which suggests that we are interested in ancestral species for the same reasons we are interested in Grandpa's alcoholism, say, or Aunt Jill's fifth marriage.

How much are we like our relatives? Which traits are we born with, which have we learned, and how much are we at risk? What is human and what is animal — and who among us, all things considered, is best off? Petru Popescu's happily titled novel "Almost Adam" flirts with these questions in what at first promises to be an intellectually stimulating adventure. Popescu proposes that Australopithecines have somehow survived unchanged for more than a million years in an empty corner of the Kenyan bush that preserves all the flora and fauna of the Pliocene epoch.

Plausible? No. In the world's most overcrowded continent no corners are quite that empty, and the area Popescu describes looks, on my map, to be less than a hundred miles from Nairobi and near Kenya's busiest highway. But lost-world stories are inherently implausible; readers are willing to grant an author one big unlikelihood as long as everything else rings true.

So we try hard to suppress our doubts when Popescu's fossil-hunting protagonist tries to photograph footprints (yes, footprints) from a light plane bucking a windstorm, using a telephoto lens, or when that plane crash-lands right next to a mound with an Australopithecine skull sticking out of it. Indeed, Popescu's prose is so clunky that his frequent absurdities come to seem almost natural — "He saw the bullets coming from the other man's gun" (He did? Wow!); "Theo scrambled toward the shop on all fours and in a flash was back out with an assault rifle that looked mountainous against his short stature" — but he writes with such boyish enthusiasm that we root for him anyway. At least at first.

Popescu's good guys are appealing without being simple-minded, and his villains are deliciously hissable — chief among them Cyril Anderson, a Kenyan-raised anthropologist with a penchant for claiming his students' work as his own in flamboyant media appearances. (To make sure we get the point, Popescu compares Anderson to California's Don Johanson and Kenya's Richard Leakey.) Too bad that Anderson undergoes a sudden and fantastic metamorphosis, from an understandable if deplorable glory hound to a maniacal serial killer; soon, almost every scene in which he appears ends in gore.

Ken Lauder, a young American anthropologist, and his best buddy, Ngili Ngiamena, a Kenyan geologist, are the Homo sapiens good guys. In the bush Ken joins up with a youngster he names Long Toes, an Australopithecus africanus good guy and the Almost Adam of the title. Theirs is a potentially intriguing relationship, but it goes nowhere, for Popescu has lost the thread of whatever story he had in mind several hundred pages before his novel grinds to a halt.

Two-thirds of the way, shortly before Cyril murders his wife and a former colleague, these two are discussing the meaning of the Australopithecine discovery with their agent, who tells them: "We have to reconceptualize based on your apes, and I think what a buyer would want in them is either some extraordinary mental powers, or sex. Do they have clitorises? ... What in the clitoris is critical for human evolution? Or maybe they can do math without numbers. Einsteins with fist-sized brains. We want ancestors who have the answers, to everything."

Reading this passage with my own hominid jaw agape, I sensed that it neatly described its author's dilemma.

Reportedly, Popescu's agent sold his idea to the movies before Popescu had fairly begun his book (his haste is evident when he refers to the death of Ken Saro-Wiwa, the Nigerian writer and environmentalist executed barely six months before "Almost Adam" appeared), at which point he must have asked himself, Why am I writing this? What exactly am I selling?

Instead of an answer we have 500-plus pages of high concept in search of a plot. Popescu gives us enough confused science, inadvertent satire and excessive violence to strain credulity over and over again (e.g., to kill a diabetic quickly you don't withhold insulin, you overdose him, as with anyone else) — plus enough sex organs to boggle the most bulbous brain. Popescu never does find his plot — I guess we'll have to wait for the movie — but the larger loss is Almost Adam himself, who never fully emerges from the mists of this misconceived effort.

Many years ago I visited the San Diego Zoo and watched a young adult chimpanzee across the deep moat that kept him in his pen. No cute Bonzo, this; he stood calm and erect, his coat of black hair sleek over bulging muscles. His deep brown eyes regarded me with contempt; we both knew he could have torn me limb from limb. I'll get out of here, he silently promised, someday I'll figure out how to get out of here. Don't you be here then.

I've never since doubted how close we are to our ancestors or how much our ancestors deserve good stories told on their behalf. Authors like Michael Bishop and Pat Murphy have told versions of that story well indeed, without much hoopla. Petru Popescu has told his version very badly, with maximum hoopla; still, he seems a nice fellow, and even if you don't read his book (don't bother), you can wish him joy in his pile of coconuts.

Paul Preuss, whose most recent novel is "Core," wrote this for The Washington Post.

BRIDGE

By Alan Truscott

THE world's best players were gathered recently in New York for the 22d Cavendish Invitational Pairs.

Kit Woolsey defended on the diagramed deal taking advantage of a subtle error by the declarer. As West, he overcalled one spade and led a top honor when his opponents climbed to four hearts after a negative double from North.

When his partner played the five and South the four, he continued with the nine. This was sage because the five was clearly East's lowest card: he would have played the ten with 10-4, and therefore must have begun with a singleton or the doubleton queen.

On winning, East shifted to the diamond six, and when South played low, there was a temptation for West to take the ace and try to give his partner a ruff. That would have been fatal for South would have maneuvered a spade ruff and drawn trumps to make the game. But Woolsey, knowing from the bidding that his partner held four trumps, resisted the temptation and played low. As he foresaw, South was now helpless: If he took a spade ruff and drew trumps, he would only have nine tricks, and otherwise East would score a diamond ruff. The ducking defense insured the defeat of the contract whether East held a doubleton diamond or a singleton.

South made his subtle error at the first trick. If he had played the ten instead of the four, it would not have been safe for West to lead a low spade at the second trick.

NORTH
♠ J 8 7
♡ A Q J 6
◇ J 10 2
♣ Q J 2

WEST
♠ A K 9 6 3 2
♡ 4
◇ A 9 8 4
♣ 6 4

EAST
♠ Q 5
♡ 10 9 3 2
◇ Q 6
♣ 9 8 7 5 3

SOUTH (D)
♠ 10 4
♡ K 8 7 5
◇ K 7 5 3
♣ A K 10

Both sides were vulnerable. The bidding:

South	West	North	East
1 ◇	1 ♠	Dbl.	Pass
2 ♡	Pass	3 ♡	Pass
4 ♡	Pass	Pass	Pass

West led the spade king.

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CAPITAL MARKETS ON MONDAY

Proposed Inflation-Indexed Bonds Could Cost the U.S. in Long Run

By Floyd Norris
New York Times Service

NEW YORK — Indexing bonds to inflation is, to hear the advocates tell it, a win-win situation for everybody. The buyers of bonds get inflation protection, while the sellers — the government — get lower financing costs and a needed *incentive to hold down inflation.*

Do not bet on it. The chances are that such bonds, which Treasury Secretary Robert E. Rubin says will be issued by the government, will prove to be a better deal for the buyers than for the government, which will benefit in the short term but suffer later.

There should be nothing surprising about that. Individuals are concerned with what happens 10 or 20 years out. But mayors, governors and presidents come and go. They care about long-term issues, but they are primarily concerned with the current budget and the next election.

That helps to explain why governments of all levels are in such fiscal trouble. Decades ago, mayors and governors across America cut deals that saved money on salaries then by inflating pension benefits later. As the bills come in now, those politicians are long retired.

Here *is what might happen after in-*flation-indexed bonds are introduced: First, the Treasury's apparent borrowing costs fall. That is because the bonds will have a stated interest rate of 3 percent or 4 percent. The coupon payments will rise over time, but it will be years — and administrations — before they start to bite.

At the same time, investors given protection against inflation may be less bothered by it. Not everyone is really against inflation. It benefits borrowers (at fixed rates) and those who own assets that are appreciating, such as real estate in the 1970s. It hurts those living on fixed incomes. But not if those incomes are no longer fixed.

Mr. Rubin argues that these bonds have an added value — inflation protection — for which buyers will pay.

"We are offering a unique and very *valuable investment vehicle,"* he *said* when asked if the government might rue the day such bonds were issued. "We should get a price that lowers our cost of capital." On average and over time, he has a good point.

But averages can deceive, and this may be the worst possible time to introduce these bonds. In 1981, when Britain took the step, inflation fears were high and interest rates soaring. It was a clever move for the British government, which saved a lot of money as inflation fell.

But inflation now is low.

That said, such bonds do not have to be too damaging to the government, even if they prove great investments for the buyers. If the government issues them as alternatives to short-term borrowing (whose rates will rise with inflation anyway), the fiscal harm will not be too great. But it is still bad timing.

■ Fed Not Likely to Alter Rates

Richard W. Stevenson of The New York Times reported from Washington:

With inflation under control despite low unemployment and a revival in economic growth, the Federal Reserve Board is almost certain to leave short-term interest rates at current levels when its policy-making body meets Tuesday, economists say.

The lack of upward pressure on prices and wages could also persuade the Fed to leave rates unchanged at its subsequent policy meeting in July, they add, despite forecasts that growth in the second quarter is likely to accelerate from the unexpectedly robust 2.8 percent annual rate in the first quarter.

"The Fed is generally reluctant to stray far from the Main Street view of the economy," said David Munro, the chief domestic economist at High Frequency Economics, a consulting firm. That view, he said, is of an economy that is "prosperous but not booming, with remarkably little in the way of price pressures."

But the outlook for the rest of the year remains very unsettled, analysts say.

While the current debate is whether the Fed will have to raise rates at some point, there is also the possibility that an expected economic slowdown this autumn might provide an opening for the arguments of those business executives, economists and politicians who contend that Fed policy is too tight. A rate cut, these people say, would bring stronger growth with little risk of inflation.

The Fed's actions will come under even greater scrutiny than usual in coming months. Not only will the presidential election leave the Fed open to being second-guessed in an intensely partisan atmosphere, but the renomination of Alan Greenspan as Fed chairman is being held up by Senator Tom Harkin.

The Iowa Democrat, who contends that Mr. Greenspan is sacrificing economic growth to an overemphasis on stamping out inflation, is holding out for an agreement by the Republican leadership to allow a full Senate debate on monetary policy and a recorded vote, rather than the planned voice vote, on a third four-year term as chairman for Mr. Greenspan.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending May 17. Prices supplied by Telekurs.

Rnk	Name	Cpn	Maturity	Price	Yield
British Pound					
217	Halifax BS	9⅜	05/15/21	99.2500	9.4500
Canadian Dollar					
205	Canada Tbills	zero	08/08/96	98.9230	4.7600
235	Canada	5¼	03/01/99	98.2000	5.8600
Danish Krone					
7	Denmark	8	03/15/06	104.3100	7.6700
16	Denmark	9	11/15/00	111.40	8.0800
22	Denmark	7	12/15/04	99.1500	7.0600
38	Denmark	9	11/15/98	109.0600	8.2500
40	Denmark	7	11/10/24	86.8000	8.0600
41	Denmark	8	05/15/03	106.1000	7.5400
46	Denmark	8	11/15/01	107.3000	7.4600
71	Denmark	7	08/15/97	103.3500	6.7700
122	Denmark	9	11/15/96	102.3500	8.7900
161	Denmark T-bills	zero	07/01/96	99.5725	3.3800
192	Nykredit	6	10/01/26	81.5500	7.3600
200	Denmark	7	02/15/98	104.1500	6.7200
228	Denmark T-bills	zero	10/01/96	98.6415	3.6600
Deutsche Mark					
1	Germany	5¾	08/22/00	102.6350	5.6000
2	Germany	6	02/16/06	96.9443	6.1900
3	Germany	8¾	08/20/01	115.2200	7.5900
4	Germany	6⅞	05/12/05	103.4480	6.6500
5	Germany	6	01/05/06	96.9600	6.1900
6	Germany	5⅛	11/21/00	100.1486	5.1200
8	Germany	6¼	04/26/06	98.7900	6.3300
9	Germany	7⅜	01/03/05	106.7975	6.9100
10	Germany	5⅝	05/15/00	103.2560	5.6900
12	Germany	6½	10/14/05	100.6650	6.4600
14	Germany	8	01/21/02	111.2825	7.1900
17	Germany	8¼	09/20/01	112.6200	7.3300
18	Treuhand	7½	09/09/04	107.6800	6.9700
19	Treuhand	6⅛	07/09/03	103.0575	6.4300
20	Germany	8	07/22/02	111.3733	7.1800
21	Treuhand	6⅞	06/11/03	104.6220	6.5700
23	Germany	6¾	05/20/98	104.8300	6.0800
25	Germany	8½	02/20/01	113.2300	7.5100
26	Germany	6¼	01/04/24	89.0143	7.0200
28	Germany	5¼	11/20/97	102.4300	5.1300
30	Germany	7½	11/11/04	107.7350	6.9600
31	Treuhand	6⅝	03/26/98	104.1900	5.8800
32	Germany	7	01/13/00	107.2500	6.5300
34	Treuhand	6¾	05/13/04	103.2400	6.5400
35	Treuhand	7⅛	01/29/03	106.2967	6.7000
36	Germany	6½	03/15/00	105.5025	6.1600
39	Germany	6½	07/15/03	102.4380	6.3500
42	Germany	7⅛	12/20/02	106.5375	6.6900
45	Germany	8¼	07/21/97	105.4600	7.8200
47	Germany	8	03/20/97	103.8300	7.7000
48	Germany	9	10/20/00	114.7300	7.8400
49	Treuhand	6⅛	06/25/98	104.4000	5.8700
51	Treuhand	6⅜	07/01/99	105.2400	6.0600
52	Germany	8¾	07/20/00	113.5100	7.7100
54	Treuhand	7¾	12/02/02	107.7750	6.8400
55	Treuhand	7¾	10/01/02	109.8667	7.0500
56	Treuhand	5¾	04/29/99	103.7300	5.5400
59	Germany	9	01/22/01	115.1700	7.8100
60	Germany	7¼	10/20/97	105.0200	6.9000
61	Germany	6¾	04/22/03	104.1488	6.4800
63	Germany	6¾	07/15/04	103.2500	6.5400
64	Treuhand	6½	04/23/03	102.6233	6.3300
65	Treuhand	7	11/25/99	107.4400	6.5200
66	Treuhand	5	01/14/99	102.0680	4.9000
67	Germany	5¾	08/20/98	103.8500	5.5400
68	Germany	6¾	01/20/98	104.6600	6.3300
69	Germany	8¾	05/21/01	113.0800	7.4100
70	Treuhand	5¾	09/24/98	103.5450	5.4300
73	Germany	7½	10/20/97	105.3800	7.1200
74	Germany	8⅞	12/20/00	114.5750	7.7500
81	Germany	6⅞	12/02/98	106.5100	6.4500
82	Germany	8	09/22/97	105.7900	7.5600
83	Germany	6	02/20/98	103.8100	5.7800
85	Germany	6	06/20/16	89.0143	6.7400
86	Treuhand	6	11/12/03	99.5275	6.0300
87	Treuhand	5	12/17/98	102.0943	4.9000
88	Treuhand	6¼	07/29/99	104.9433	5.9600
89	Treuhand	6¼	03/04/04	100.4929	6.2200
92	Germany	7	12/22/97	105.0967	6.6600
93	Germany	6	09/15/03	99.9333	6.0000
94	Citibank	3.32	05/16/01	100.0200	3.3193
96	Germany	6¾	09/15/99	106.5600	6.3300
97	Germany	7¼	10/21/02	107.4700	6.7500
98	Germany	3.105	09/30/04	99.1000	3.1332
101	Germany	6⅞	02/24/99	106.5933	6.4500
103	Germany	6¼	02/20/98	104.1000	6.0000
105	Germany	8¾	05/22/00	113.3733	7.7200
107	Allianz Fin	6	05/14/03	98.9581	6.0600
110	Deut Bundbahn	6⅛	10/28/03	99.6000	6.1500
111	Germany	8½	08/21/00	112.6950	7.5400
116	Germany	6⅜	05/20/97	103.0300	6.1900
124	Germany	5¾	08/20/97	102.7700	5.6000
133	Cespcia Ener	9¼	05/10/01	99.9000	9.2600
134	Germany	5¾	05/28/99	103.6167	5.5500
153	Germany	5¼	02/25/98	102.5883	5.1200
155	Germany	5¼	10/20/98	102.9475	5.1000
160	Germany	7¾	02/21/00	109.6133	7.0700
163	Germany	6⅛	05/20/99	104.8625	5.8400
164	Germany	6¾	05/02/03	103.2533	6.5400
167	Germany	5⅜	02/22/99	103.1167	5.2100
168	Credit Foncier	7¼	02/24/03	102.2000	7.0900
174	Germany	6½	02/20/97	102.3500	6.3500
182	Germany	6⅜	01/20/98	104.1800	6.1200
184	Germany	6⅛	08/20/97	103.4700	6.1600
185	Germany	8¾	01/20/97	103.3300	8.1100
187	Germany	6¾	08/14/98	105.0967	6.0700
191	Germany	8½	08/20/96	101.2600	8.3900
194	Volkswagen	4.85	02/28/01	96.6619	5.0200
203	Bundespost	7¾	10/01/04	108.3100	7.1600
219	Britain	7⅛	10/28/97	104.7600	6.8000
220	EIB	5⅛	05/08/01	99.0500	5.1700
236	Sweden	5⅝	12/31/01	100.0187	5.6200
240	BadWuert Fin	5¼	05/15/01	99.2500	5.2900
245	Germany	6½	01/02/99	105.4000	6.1700
249	Germany	7⅛	11/21/96	101.9100	6.9900
Dutch Guilder					
15	Netherlands	6¼	07/15/98	105.0000	5.9500
44	Netherlands	6	01/15/06	97.7500	6.1400
58	Netherlands	7	03/15/99	107.2000	6.5300
76	Netherlands	9	01/15/01	115.3500	7.8000
80	Netherlands	8¼	06/15/02	113.3000	7.2800
84	Netherlands	7½	01/15/23	106.5500	7.0400
90	Netherlands	6¾	02/15/99	106.4200	6.3400
100	Netherlands	9	05/15/00	114.70	7.8500
102	Netherlands	7½	06/15/99	108.7000	6.9000
115	Netherlands	8½	03/15/01	113½	7.4900
126	Netherlands	8¾	09/15/01	115¼	7.5900
129	Netherlands	7	06/15/05	105.1000	6.6600
130	Netherlands	7	05/15/99	107.3000	6.5200
139	Netherlands	7½	04/15/10	108.0700	6.9400
145	Netherlands	7	02/15/03	106.4000	6.5800
150	Netherlands	9	07/01/00	114.8000	7.8400
151	Netherlands	5¾	01/15/04	98.1500	5.8600
158	Netherlands	8¼	02/15/00	111.6500	7.3900
159	Netherlands	9¼	11/30/00	116.4400	7.9400
169	Netherlands	8¼	02/15/07	113.6500	7.2600
179	Netherlands	8¼	02/15/02	113	7.3000
181	Netherlands	7½	11/15/99	109.1000	6.8700
206	Netherlands	6½	04/15/03	103.5500	6.2800
210	Netherlands	9	10/16/00	115¼	7.8100
211	Netherlands	7¾	01/15/00	109.9500	7.0500
223	Netherlands	7¼	10/01/04	107.1000	6.7700
238	Netherlands	6½	07/15/98	105.4700	6.1600
246	Rabobank Neth	5¾	05/15/01	102.6000	5.6000
ECU					
53	France B.T.A.N.	6	03/16/01	100.6056	5.9600
72	France OAT	7½	04/25/05	103.7500	7.2300
77	France BTAN	5	03/16/99	99.5000	5.0300
123	France OAT	6	04/25/04	95.3750	6.2900
128	France OAT	9½	04/25/00	112⅝	8.4400
142	UK T-note	5	01/26/99	99.3750	5.0300
143	UK T-note	8	01/27/98	105.1250	7.6100
144	Britain	9⅛	02/21/01	112	8.1500
149	France BTAN	7¼	03/16/98	104.1250	6.9600
166	France OAT	6¾	04/25/02	101.8750	6.6300
171	France OAT	8¼	04/25/22	105.8750	7.7900
202	Italy	4.414	07/31/98	100.1000	4.4100
204	France BTAN	7½	03/16/97	102.5000	7.3200
209	UK T-note	5¼	01/21/97	100.5000	5.2200
226	France OAT	8½	03/15/02	110	7.7300
248	UK Tbills	zero	05/16/96	99.42007	35.8000
French Franc					
121	France OAT	7¾	10/25/05	109.0100	7.1100
148	France B.T.A.N.	5¾	03/12/98	102.2800	5.6200
156	France OAT	7½	04/25/05	107.3600	6.9900
176	France BTAN	8½	11/12/97	106.0000	8.0200
214	France OAT	6¾	10/25/04	102.6800	6.5700
224	France B.T.A.N.	5¾	03/12/01	100.8900	5.7000
229	France OAT	5½	04/25/04	95.1700	5.7800
243	Portugal	6⅝	05/13/08	98.6250	6.7200
Italian Lira					
172	Italy	9½	02/01/01	102.0000	9.3100
234	Italy	10½	11/01/00	105.3500	9.9700
237	Italy	10½	04/15/98	103.0000	10.1900
Japanese Yen					
132	Italy	3.80	03/27/08	96.1327	3.9500
137	World Bank	5¼	03/20/02	113⅜	4.6300
180	World Bank	4¾	12/20/04	111⅛	4.2600
198	Japan Dev Bk	5	10/01/99	109.8750	4.5500
208	TB Fin Cayman	zero	10/01/04	102.8750	0.3400
222	World Bank	4½	12/22/97	105.2500	4.2800
239	Exim Bk Japan	2⅞	07/28/05	96.1250	2.9900
242	World Bank	4½	06/20/00	109.1250	4.1200
250	Sweden	3⅞	06/21/99	105.8750	3.6600
Spanish Peseta					
104	Spain	10.10	02/28/01	105.9930	9.5300
113	Spain	10.15	01/31/06	105.7090	9.6000
178	Spain	7.40	07/30/99	98.1850	7.5400
186	Spain	12¼	03/25/00	113.27	10.8100
212	Spain	10.30	06/15/02	106.8050	9.6400
Swedish Krona					
108	Sweden 1036	10¼	05/05/00	109.8034	9.3300
147	Sweden	6	02/09/05	85.5263	7.0200
177	Sweden	11	01/21/99	109.8300	10.0200
193	Sweden	13	06/15/01	119.9924	10.8300
U.S. Dollar					
11	Brazil	4½	04/15/14	65.0628	6.9200
13	Argentina FRN	6 5/16	03/29/05	77.7500	8.1200
24	Venezuela	6 9/16	12/18/07	68.0000	9.6500
27	Brazil L	6½	04/15/06	77.2500	8.4100
29	Brazil par	5	04/15/24	53.8551	9.2800
33	Argentina par	5	03/31/23	55.0000	9.0900
37	Brazil 930.0	6⅛	01/01/01	92.0000	6.9300
43	Venezuela par A	6¾	03/31/20	60.0000	11.2500
50	Mexico par B	6¼	12/31/19	65.2500	9.5800
57	Brazil S.ZI	6½	04/15/24	68.3800	9.5100
62	Mexico par A	6¼	12/31/19	65.2500	9.5800
75	Venezuela S.A	6¾	03/18/07	69.0000	9.2400
78	Canada	6⅜	07/21/05	95.7500	6.6600
79	Mexico	11½	05/15/26	92.5000	12.4300
91	Mexico D	6.547	12/28/19	79.1900	8.2700
95	Mexico A	6.398	12/31/19	79.1900	8.0800
99	Ecuador par	3	02/28/25	37.1200	8.0800
106	Brazil S.L	6 9/16	04/15/12	65.6200	10.0000
109	Britain	5¼	09/24/96	99.9400	5.2500
112	Bulgaria	6¼	07/28/11	47.2239	13.2300
114	Ecuador	3	02/28/15	49.4546	6.0700
117	Bulgaria	6¼	07/28/24	51.1200	12.2300
118	Bulgaria	2	07/28/12	32.0032	6.2500
119	World Bank	6⅜	07/21/05	96.3750	6.6100
120	Venezuela par B	6¾	03/31/20	60.0000	11.2500
125	Nigeria	6¼	11/15/20	52.7500	11.8500
127	Italy	6⅞	09/27/23	89.2500	7.7000
131	Poland	6 9/16	10/27/24	93.0000	6.9200
135	Mexico		11/27/96	114.8098	-
136	Poland	3¾	10/27/14	76.2821	4.9200
138	Argentina L	6 9/16	03/31/23	69.7500	9.4100
140	Nissan Capital	5.488	04/30/97	99.8541	5.5000
141	Venezuela	6½	03/31/07	69.0000	9.4203
146	Argentina	5.445	04/01/01	111.90	4.8662
152	Mexico B	6.391	12/31/19	79.1900	8.0700
154	Britain	7¼	12/09/02	102.3750	7.0800
157	Sweden	4½	03/24/99	95.1250	4.7300
162	Canada	6½	05/30/00	100.0000	6.5000
165	Bco Com Ext.	7¼	02/02/04	81.3750	8.9100
170	Fannie Mae	6.40	05/02/01	99.2500	6.4500
173	Ecuador	6 1/16	02/28/25	58.5055	10.3600
175	Certain Funding	zero	06/17/96	99.5626	5.1300
183	Ontario	6⅛	06/28/00	98.2500	6.2300
188	Ontario	6	02/21/06	91.7500	6.5400
189	Komercni Bank	7⅛	05/14/01	99.2500	7.1800
190	World Bank	8⅜	10/01/99	106.2500	7.8800
195	World Bank	8⅛	03/01/01	106.6250	7.6200
196	Italy	9⅜	03/01/99	107.7500	8.9300
197	FEK	6⅜	05/15/00	100.0000	6.6300
199	Brazil S.L	6 9/16	04/15/09	70.7500	9.2800
201	Argentina	8⅜	12/20/03	87.0000	9.6300
207	Poland par	2¾	10/27/24	50.4601	5.4500
213	World Bank	7⅝	01/19/23	102.8750	7.4100
215	Malaysia	5 9/16	10/03/05	99.8000	5.5700
216	Brazil	6	09/15/13	60.2118	9.9600
218	Argentina	6 5/16	03/29/05	77.4829	8.1500
221	IADB	7½	04/05/05	102.5000	7.3200
225	Venezuela	6¾	03/31/20	66.2500	9.6200
227	Cregem	zero	07/24/96	99.0098	5.3300
230	Brazil Cbond S.L	4½	04/15/14	59.7500	7.5300
231	Chubu Elec Pwr	5¾	04/18/01	95.6250	6.0100
232	Sumitomo Intl	5.488	04/30/97	99.9393	5.4900
233	Greece	5 15/16	03/27/03	98.8700	6.0100
241	Mexico	9¾	02/06/01	98.2500	9.9200
244	World Bank	7⅛	09/27/99	102.5000	6.9500
247	Ontario	5.481	08/17/99	99.9100	5.4854

Markets Fear Big Jolt From Germany

By Carl Gewirtz
International Herald Tribune

PARIS — Unnerved by a long spell of narrow trading in the major bond and currency markets and the attendant complacency about the inevitability of a monetary union in Europe, analysts are looking out for surprises that could put volatility back into price movements.

Where they are looking is Germany.

International investors have pared their Deutsche mark holdings. On a trade-weighted basis, the mark is down 3.5 percent so far this year after a 5.5 percent rise last year.

For Germany's European neighbors, their currencies' appreciation has been accompanied by a dramatic narrowing in long-term bond yields relative to benchmark German levels as foreign investors have poured into those markets to profit from the rally in prices and the appreciation of the currencies — both of which were fueled by the decline in German interest rates.

Were German rates to stop falling or investors to begin anticipating a rise in interest rates, the weakness of the mark and the strength in outlying bond markets could be reversed. Further, such a reversal would add tension in the drive to monetary union because the rest of Europe is not in a position to contemplate higher interest rates.

Thus, there is a great anxiety about two reports due this week — money-supply growth and the Ifo Institute for Economic Research business survey for April — that should signal what the Bundesbank's next move will be.

The danger, warned Andres Drobny of CS First Boston in London, is that the growth in the M-3 measure of money supply might remain near the above-target 12.3 percent annualized rate of March and that the monthly survey of business might remain strong, demonstrating that the rebound reported in March "was not simply payback from a slow winter but the start of a genuine recovery."

"If the data disappoint those who are looking for evidence of further easing by the Bundesbank," he said, "the mark could pop. There's potential for tremendous volatility."

"Not only is the market short the DM within Europe," said Avinash Persaud of J.P. Morgan & Co. in London, "but the market has been busy buying the currencies of weak economies as their bond markets rally. Once the protection of low and falling German rates is removed, the weakening economies of Italy and Sweden for example, will be most vulnerable to a flight from their currencies."

Neil MacKinnon at Citibank in London called market pessimism about growth in Germany "overdone."

"The worst of the slowdown is over," he said. "I expect the mark to stage a recovery, which could be sharp given how underweight the market is of DM."

Moreover, disappointment in the dollar's inability to break above 1.54 DM that could turn the mood in the market away from the dollar. The dollar finished the week at 1.5339 DM.

Given the uncertainty, there is scant investor interest in committing to long-term investments.

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Banca di Roma	$500	2003	1/16	99.682	—	Over 3-month Libor. Redeemable at par in 2001. Fees 0.20%. (HSBC Markets.)
First USA Credit Card Master Trust 1996-2	$600	2003	0.18	100.00	—	Over 1-month Libor. Noncallable. Fees 1.80%. (Morgan Stanley Int'l.)
Global Diversified CBO	$150	2008	0.65	99.71	—	Over 6-month Libor. Average life 7 years. Fees 0.75%. Denominations $3 million. (Morgan Stanley Int'l.)
Morgan Stanley Group	$250	2001	¼	99.87	—	Over 3-month Libor. Callable at par from 1997. Fees 0.25%. Denominations $10,000. (Morgan Stanley Int'l.)
Wachovia Bank of North-Carolina	$500	2001	libor	99.826	—	Interest will be the 3-month Libor. Noncallable. Fees 0.175%. Denominations $250,000. (Merrill Lynch Int'l.)
Merrill Lynch & Co.	£100	2001	0.20	99.817	—	Over 3-month Libor. Noncallable. Fees 0.20%. (Merrill Lynch Int'l.)
Fixed-Coupons						
Korea Development Bank	$750	2006	7¼	99.243	98.50	Semiannually. Noncallable. Fees 0.35%. (CS First Boston.)
Lojas Americanas	$150	2004	11	98.515	—	Semiannually. Redeemable at 96.84 in 1999. Fees 0.875%. Denominations $10,000. (J.P. Morgan Securities.)
Metalurgica Gerdau	$130	2004	11⅛	99.90	—	Semiannually. Redeemable at 98.55 in 1999. Fees 1⅛%. (Chase Investment Bank.)
National Australia Bank	$300	1998	6¼	100.94	99.94	Reoffered at 99.965. Noncallable. Fees 1⅛%. (Morgan Stanley Int'l.)
Rabobank Nederland	$200	1999	6¼	101.2125	99.97	Reoffered at 99.90. Noncallable. Fees 1⅜%. (Daiwa Europe.)
Rabobank Nederland	$100	2001	6⅝	101.675	—	Interest will be 6⅝% until 1998, when issue is callable at par, thereafter 8%. Reoffered at 100.05. Fees 1⅝%. (Morgan Stanley Int'l.)
Toyota Motor Credit Corp.	$750	2001	6½	101.187	99.30	Semiannually. Reoffered at 99.562. Noncallable. Fees 1⅝%. (Merrill Lynch Int'l.)
Bayerische Landesanstalt fuer Aufbaufinanzierung	DM250	2001	5¼	101.19	99.42	Reoffered at 99.44. Noncallable. Fees 2%. (Bayerische Landesbank.)
Bayerische Vereinsbank	DM1,000	2001	5¼	99.417	99.42	Noncallable. Fees 0.25%. (Bayerische Vereinsbank.)
Brazil Repackaged Bonds	DM250	2006	11	96.75	—	Reoffered at 95. Redemption in seven instalments, starting April 2000. Fees 2¼%. (Morgan Stanley Int'l.)
Deutsche Ausgleichsbank	DM300	2002	5¾	101.775	99.40	Reoffered at 99.925. Noncallable. Fees 2⅛%. (Bayerische Landesbank.)
European Investment Bank	DM750	2003	6	101.03	99.65	Reoffered at 99.58. Noncallable. Fees 1⅝%. (Lehman Brothers Int'l.)
Deutsche Bank Finance	£150	1999	7¼	100.9735	—	Reoffered at 99.786. Noncallable. Fees 1⅛%. (Deutsche Bank.)
DSL	£150	2000	7½	100.94	—	Reoffered at 99.54. Noncallable. Fees 1⅜%. (ABN-AMRO Bank.)
Landesbank Rheinland-Pfalz	£100	2001	7¾	101⅜	—	Reoffered at 99.75. Noncallable. Fees 1⅝%. (HSBC Markets.)
National Grid	£150	1999	7⅜	101.084	—	Reoffered at 99.784. Noncallable. Fees 1½%. (UBS.)
World Bank	£200	1998	7	101.358	—	Reoffered at 100.108. Noncallable. Fees 1⅛%. (Barclays de Zoete Wedd.)
Caisse de Refinancement Hypothecaire	FF800	2006	6	97.08	95.40	Reoffered at 95.78. Noncallable. Fees 1.70%. (Banque Nationale de Paris.)
Bayerische Vereinsbank	ITL300,000	1999	8½	101.245	99.92	Noncallable. Fees 1⅜%. (Banca Nazionale del Lavoro.)
Crédit Local de France	ITL200,000	2001	9	101⅞	100.10	Noncallable. Fungible with outstanding issue, raising total amount to 400 billion lire. Fees 1⅞%. (Credito Italiano.)
Walt Disney	ITL300,000	2000	8⅝	101.302	99.72	Noncallable. Fees 1⅜%. (J.P. Morgan Securities.)
European Investment Bank	SP15,000	2021	8½	97.69	—	Noncallable. Fees 2%. (Banco Central Hispanoamericano.)
Portugal	Aus$250	2000	8	99.67	—	Semiannually. Noncallable. Fees 0.80%. (Yamaichi Int'l.)
Abbey National Treasury Services	Y30,000	1999	2.10	100.0375	—	Noncallable. Fees 0.1875%. Denominations 100 million yen. (Daiwa Europe.)
Federal National Mortgage Association	Y100,000	1999	2	99.923	100.05	Semiannually. Noncallable. Fees 0.15%. Denominations 10 million yen. (Nomura Int'l.)
KFW	Y20,000	1998	6½	100.00	—	Semiannually. Redemption at maturity in Australian dollars at a fixed exchange rate of 84.54 yen per dollar. Noncallable. Fees 1⅛%. (Nikko Securities.)
Korea Development Bank	Y10,000	2006	4.60	100.325	—	Coupon payable in Australian dollars. Noncallable. Fees 0.325%. Denominations 100 million yen. (Bank of Tokyo-Mitsubishi Int'l.)
Sweden	Y30,000	1998	6½	100.00	—	Semiannually. Redemption at maturity in Australian dollars at a fixed exchange rate of 84.55 yen per dollar. Noncallable private placement. Fees 1⅛%. (Nomura Int'l.)
Turkey	Y30,000	2002	6	100.00	—	Noncallable. Fees 0.90%. (Yamaichi Int'l.)
Equity-Linked						
New World Infrastructure	$250	2001	5	100.00	—	Semiannually. Callable at par in 1999. Convertible at HK$19.61 per share, a 14% premium, and at HK7.74 per dollar. Fees 2½%. (Morgan Stanley Int'l.)
Total Access Communication Public Co.	$200	2006	2	100.00	—	Redeemable at 133.85 in 2001. Convertible at $10.50 per share, a 16.02% premium. Fees 2½%. (Lehman Brothers Int'l.)
U.S. Office Products Co.	$200	2003	5½	100.00	—	Semiannually. Callable at 102.20 from 1999. Convertible at $47.40 per share, a 20$ premium. Fees 3.20%. (Robertson, Stephens & Co.)

The Week Ahead: World Economic Calendar, May 20-24

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Manila:** MasterCard International annual meeting for the Asia-Pacific region. Through Friday, Shangri-La Hotel in Makati. **Hong Kong:** Crèdit Lyonnais sponsors investors forum on Asia. Through Thursday, Hyatt Hotel. **Singapore:** Consumer price index and trade data for April.	**Paris:** Organization for Economic Cooperation and Development annual ministerial meeting. Tuesday through Thursday.	**Ecuador:** First round of presidential and local elections. **Washington:** Investment Company Institute annual membership meeting. Through Wednesday, Washington Hilton. **New York:** Arab Banking Summit. Through Wednesday, Waldorf-Astoria.
Monday May 20	**Manila:** Hi-Cement begins sale of 31.55 million shares. **Tokyo:** Trade balance for April. **Annual meetings:** Dabur India, MRC Allied Industries, Philodrill, Asahimas Flat Glass	**Copenhagen:** Consumer prices for April. **London:** Motor vehicle production for April. **Rome:** Producer and wholesale prices for March. **Annual meetings:** Pirelli	**Santiago:** Banking profits and loan portfolios. **Washington:** Weekly report on planting progress for seven crops.
Tuesday May 21	**Wellington:** Provisional hourly and weekly wage rates for December-February period; provisional new-housing permits for April. **Annual meetings:** CWT Distri*bution, Picop Resources*	**Paris:** Housing starts for April. **Copenhagen:** Consumer confidence survey for May. **Stockholm:** Current account and industrial orders for March. **Annual meetings:** Banque Na*tionale de Paris, Valeo*	**Buenos Aires:** Steel production for April. **Mexico City:** Unemployment rate for April. **Washington:** Federal Open Market Committee meeting ***Annual meeting:*** *K mart*
Wednesday May 22	**Sydney:** March leading index. **Annual meetings:** TVS Suzuki, Godrej Foods, Southeast Asian Cement Holdings, CRA, DBS Land, HBM Print, Natsteel, Atul Products	**Copenhagen:** Housing starts for fourth-quarter of 1995. **Stockholm:** Retail sales for March. **Annual meetings:** Bayerische Hypotheken- & Wechsel-Bank, Daimler-Benz	**Ottawa:** Composite leading index for April; wage settlements bulletin and retail trade for March. **Buenos Aires:** Industrial production for March **Annual meeting:** USAir Group
Thursday May 23	**Sydney:** New motor vehicle registrations for April. **Tokyo:** Crude oil imports for April. **Annual meetings:** Inchcape, L.C. Development, Teledata (Singapore)	**London:** Retail sales for April; output, income and expenditure for first quarter. ***Voorburg, Netherlands:*** *Industrial production for March; consumer confidence survey for May.*	**Washington:** Initial weekly state unemployment compensation insurance claims; weekly money supply. **Ottawa:** International securities transactions and wholesale trade for March.
Friday May 24	**Tokyo:** Sales at supermarkets for April. **Wellington:** Overseas trade for April. **Annual meetings:** Jardine Davies, Liang Court Holdings, Union Bank of the Philippines.	**Annual meeting:** VEBA **Paris:** Consumer price index for April; industrial production for March. **Stockholm:** April trade balance. **Annual meeting:** Commerzbank, Flughafen Wien	**Caracas:** Weekly international reserves and money supply. **Mexico City:** Inflation and gross domestic product in nominal terms for first quarter. **Washington:** Durable goods orders for April.

Last Week's Markets

Stock Indexes

	May 17	May 10	% Ch'ge
United States			
DJ Indus.	5,687.50	5,518.14	+3.07
DJ Util.	212.14	211.78	+0.30
DJ Trans.	2,265.64	2,187.92	+3.35
S & P 100	645.45	627.94	+2.79
S & P 500	668.91	652.09	+2.58
S & P Ind	796.18	772.88	+3.01
NYSE Cp	358.78	350.02	+2.50
Japan			
Nikkei 225	21,916.60	21,420.12	+ 2.32
Britain			
FTSE 100	3,789.60	3,754.40	+ 0.94
Canada			
TSE Indus.	5,220.50	5,176.81	+0.84
France			
CAC 40	2,136.91	2,114.80	+ 1.05
Germany			
DAX	2,537.33	2,468.78	+ 2.78
Hong Kong			
Hang Seng	10,816.90	10,597.70	+ 2.07
World			
MSCIP	775.45	765.17	+ 1.34

World Index from Morgan Stanley Capital Int'l Perspective.

Money Rates

	April 26	April 19
United States		
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5⅛	5¼
Japan		
Discount	0.50	0.50
Call money	0.40	0.43
3-month interbank	0.66	0.69
Britain		
Bank base rate	6.00	6.00
Call money	5 15/16	6.00
3-month interbank	6 1/16	6 1/16
France		
Intervention rate	3.70	3.70
Call money	3 11/16	3¾
3-month interbank	3 11/16	3¾
Germany		
Lombard	4.50	4.50
Call money	3.35	3.35
3-month interbank	3.28	3.32

Gold	May 17	May 10	% Ch'ge
London p.m. fix.$	391.95	393.20	- 0.32

Euromarts

Eurobond Yields

	May 17	May 10	Yr high	Yr low
U.S. $, long term	6.92	6.88	6.94	6.17
U.S. $, mdm term	6.50	6.54	6.55	5.61
U.S. $, short term	6.13	6.15	6.15	5.19
Pounds sterling	7.86	7.87	7.88	6.99
French francs	5.87	5.89	6.38	5.83
Italian lire	9.07	9.05	10.45	9.05
Danish kroner	6.05	6.05	6.51	5.95
Swedish kronor	7.38	7.40	8.55	7.30
ECUs, long term	7.09	7.14	7.50	6.86
ECUs, mdm term	6.12	6.22	6.56	5.89
Can. $	7.36	7.34	7.39	6.56
Aus. $	8.75	8.86	9.04	7.99
N.Z. $	8.88	8.77	8.88	7.04
Yen	2.53	2.54	2.74	2.38

Source: Luxembourg stock exchange.

Weekly Sales

May 17

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	32.0	369.4	608.5	1,360.2
Convert.	—	—	112.0	3.3
FRNs	270.5	197.0	420.0	600.9
ECP	12,149.9	8,036.9	15,446.3	9,975.8
Total				

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	13,399.9	19,769.6	52,144.0	23,273.5
Convert.	610.5	810.6	2,175.9	1,490.4
FRNs	11,411.2	3,640.8	49,794.4	5,151.7
ECP	11,094.8	12,593.0	15,568.8	24,316.9
Total	—			

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5⅜	5 7/16	5 11/16
Deutsche mark	3½	3½	3 9/16
Pound sterling	6⅛	6⅛	6 5/16
French franc	3¾	3 13/16	4⅛
ECU	4 7/16	4½	4½
Yen	½	⅝	¾

Sources: Lloyds Bank, Reuters.

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CYBERSCAPE

Companies Line Up For On-Line Gaming

By Bob Tourtellott
Reuters

LOS ANGELES — The $7.7 billion video-game industry is going on-line in a big way as a new generation of hardware makers begins to unite with entertainment software providers.

At the Electronic Entertainment Expo here last week, several companies, including Apple Computer Inc., Philips Electronics NV and Sega Enterprises Ltd., unveiled entertainment-friendly Internet hardware, and start-ups such as Engage Games Online launched on-line game playing services.

Even the interactive wing of Turner Broadcasting Inc., Turner New Media, shifted its focus from CD-ROM-based games toward developing Internet-related content.

"We're getting back to what made games great," said Tom Kalinske, chief executive at Sega of America. "The big benefit of Internet play is that you are involved in social play."

Game company executives said they saw the Internet as a community in which game players would play against each other instead of playing against a computer or simply sitting in front of a television.

Moreover, as a new generation of television appliances for playing games and surfing the Internet becomes available, executives envision families sitting together in front of the TV to play games or search for other forms of entertainment.

Apple and its partner, Japan-based Bandai Digital Entertainment, will begin selling their TV-Internet device, called Pippin, in the United States in September for $599.

Pippin connects to a television set and gives users the ability to play CD-ROM games at speeds as fast or faster than many desktop computers, Apple said. When coupled with a modem, users can surf the Internet, download files and play games.

Sega's TV product is called Net Link, which connects to its Saturn game player and allows access to the Internet. Philips said it planned a U.S. launch of its television set-top Web browser device late this summer.

Though modem speeds remain slow, executives contend that relatively few games — such as flight simulation software — are so complex that they cannot be played fast enough over the Internet to be enjoyable.

"The fact of the matter is that for the vast amount of games, latency is not an issue," said Jeff Liebowitz, president of Engage. "Only the top 10 percent are these 'power games.'"

Executives point to the explosive growth of on-line users and interest among adults as underpinning their belief the Internet provides a huge opportunity ahead.

Internet address: CyberScape@ihr-fib.demon.co.uk

Fear for Future Spreads to Hong Kong Business

By Edward A. Gargan
New York Times Service

HONG KONG — It was supposed to be a lift-the-glass rally for the future of Hong Kong business. Beijing's de facto ambassador, Zhou Nan, recently described the paradise that awaits the colony after the Union Jack comes down June 30, 1997, and the Chinese flag goes up. One after another, tycoons and corporate chieftains raved over his vision.

But then Raymond Chien, trim and bespectacled, stepped to the podium. An economist by training, the managing director of one of Hong Kong's larger food-and-beverage conglomerates by vocation and an oenophile by avocation, Mr. Chien meandered into the murky world of metaphor to make his point:

"A confident winemaker would choose to be minimally intervention-ist, allowing the wine to make itself," he said. "After all, there is no way for the wine to escape the bottle."

Mr. Chien's not-so-subtle appeal for Chinese restraint apparently fell on deaf ears. If Hong Kong is a fine wine, then the Communist leaders are suddenly doctoring it to their tastes.

In late April they engineered an agreement obliging Swire Pacific Ltd., the British owner of Cathay Pacific Airways Ltd., to sell a big stake in the airline and its affiliate, Hong Kong Dragon Airlines Ltd., to Chinese interests at bargain prices.

While details of the negotiations remain unclear, it seemed apparent that Beijing had used its future position of power to pressure Swire into delivering two of Hong Kong's business jewels into their hands.

"It's obvious that China is assuming greater control over strategic industries," said Miron Mushkat, the chief economist for Asia at Lehman Brothers. "Hong Kong's neutrality is in the process of being redefined on the ground."

Beijing has already declared its intention to abolish the colony's political institutions, including the dismissal of all elected bodies in the territory and their replacement with members of its choosing.

But many people assumed until last month that it would refrain from throwing its weight around too much on the economic front for fear of scaring away the capitalists who have made this the globe's fifth-largest stock market, its second-largest port, an Asian banking center and the gateway to the mainland.

Many analysts regard the prospect of such meddling as a major reason that two British companies, British Telecommunications PLC and Cable & Wireless PLC, called off merger talks last month. BT was attracted to C&W's 57.5 percent stake in Hong Kong Telecommunications Ltd. but worried that it would not get Chinese approval to acquire the subsidiary.

"Telecommunications is a strategic industry," Mr. Mushkat said. "Electricity is a strategic industry. It goes without saying that anything through which information flows is a strategic industry. But then you have to ask, what else? Is banking a strategic industry?"

Hong Kong's resilient business community wants to believe the best about Beijing's intentions. The stock market's immediate reaction to the Cathay deal was relief that Chinese threats to start a rival airline had apparently evaporated. The day after the agreement was announced, shares in Cathay rose more than 5 percent, and the exchange's benchmark Hang Seng index gained 1 percent.

Even so, many residents interpreted the move as a clear signal of Beijing's intention to take charge of their economic affairs.

"It's a de facto nationalization through the stock market," said John Mulcahy, managing director for UBS Securities. "They sold things at a very deep discount to their value." But, he added, Swire really had no choice. "I think they were coerced," he said.

American business interests are getting nervous. In April, Merrill Lynch & Co., a longtime supporter of the colony, startled it with a report, "Bumps in the Road," that offered an uncharacteristically downbeat assessment.

"Negative factors relating to the mechanics of the transition seem set

See HONG KONG, Page 13

Is U.S. Buying Dumped Goods?

Supercomputer Deal With NEC Touches a Trade Nerve

By John Markoff
New York Times Service

NEW YORK — Rejecting calls to select an American computer maker, the National Science Foundation has said it plans to buy a supercomputer from NEC Corp., the first such purchase by the government from a Japanese company.

At the same time, however, the foundation said it had evidence that NEC had offered the computer at a price below cost — a practice known as dumping — supporting accusations by several members of Congress and Cray Research Inc., NEC's American rival for the supercomputer contract.

According to a statement released late Friday by the foundation, Commerce Department officials had advised it that they had "reached a preliminary conclusion that the proposal does not constitute an offer at 'fair value.'"

The awarding of the supercomputer contract, which is worth $13 million to $35 million, had been closely watched as an indicator of U.S. trade policies. Washington has said that competitive forces should prevail, and it has pressed Tokyo in particular to open its public procurement to foreign suppliers.

The award was critical to Cray, with thousands of American jobs at stake. Cray, the dominant U.S. supercomputer company, has struggled in recent years.

"I am absolutely appalled by the arrogance and irresponsibility displayed by officials of the NSF in their decision to go forward with the procurement of a Japanese-made supercomputer despite clear and compelling evidence that the computer is being dumped on the U.S. market by Japanese producers," said Representative David R. Obey, Democrat of Wisconsin.

Supercomputers are the fastest computers available. They typically are used by the military and for scientific and engineering simulations.

The new National Science Foundation supercomputer, which will be installed at the National Center for Atmospheric Research in Boulder, Colorado, is intended to aid climate research by helping scientists develop advanced simulations that model the environment.

Cray has sold more than 100 machines in Japan to government agencies, while no Japanese machines have been sold to government agencies in the United States.

NEC said it was aware of the dumping issues and that it was acting within U.S. laws.

New Netscape Flaw Detected

New York Times Service

NEW YORK — Computer-science researchers at Princeton University have discovered a new and potentially serious flaw in Netscape Communications Corp.'s Navigator software, the leading program used to browse the World Wide Web of the Internet.

The flaw, which was found in recent versions of the Netscape software that support Sun Microsystems Inc.'s Java programming language, could allow people to write destructive or malicious programs and potentially destroy or steal data or otherwise tamper with a computer that was connected to the Internet and used the Navigator program.

Netscape executives said that the researchers had gotten in touch with them about the problem last Thursday and that the software company was in the process of producing a new version of Navigator that would protect against potential attacks.

This is the third flaw discovered in recent months by the Princeton group. Netscape has been under heavy scrutiny over the security of its popular software since the fall, when a group of researchers at the University of California at Berkeley discovered a flaw in the Netscape security system.

— JOHN MARKOFF

■ Network Appliance Debut

Leading U.S. technology companies, including International Business Machines Corp., were set to unveil plans Monday for a new Internet-based computing device that backers say could one day replace the desktop personal computer, Agence France-Presse reported from Washington.

The so-called network computer, to be priced ideally around $500, would lack much of the hardware and software of existing PCs but would enable users to carry out many computing tasks by accessing programs available on the World Wide Web.

The project, the brainchild of Larry Ellison, chief executive of Oracle Corp., is to be unveiled in San Francisco with the backing of Sun Microsystems Inc., Netscape Communications Corp., Apple Computer Co. and IBM.

The move is a major step in the efforts of some in the industry to end the dominance of Microsoft Corp., whose software is used in 80 percent of personal computers, and Intel Corp., which makes most of the microprocessors used in PCs.

Manufacturers of the network computers may include Acer Inc. of Taiwan and Olivetti SpA of Italy, industry sources said.

USAir Scrambles Amid Talk of BA's Writing Off Stake

By Frank Swoboda
Washington Post Service

WASHINGTON — British Airways PLC will release its annual earnings Monday amid speculation that it might write off its entire investment in USAir Group Inc. in favor of a new financial alliance with American Airlines.

British Airways used its annual earnings report last year to announce that it was writing down half of its $400 million investment in the airline after the parent company failed to win contract concessions from its labor unions. British Airways owns 24.9 percent of USAir.

Chairman Stephen M. Wolf, who took over USAir in January, is expected to announce plans for the carrier at the annual shareholders meeting Wednesday. Mr. Wolf has told employees that the airline probably will have to seek a partner — either through a merger with another airline or some form of marketing agreement — for its long-term prosperity.

USAir offered itself for sale late last year to American Airlines and United Airlines. United, which could use USAir's strength in the eastern half of the nation to become a dominant carrier in the North Atlantic, expressed interest, but eventually pulled back after its union owners balked at the prospect of having the value of their stake in United diluted.

Speculation over British Airway's continued investment in USAir has been fed by reports that British Airways and American Airlines, a subsidiary of AMR Corp., were about to announce a deal that would be more than a simple marketing alliance. One British report said the two airlines would swap 20 percent of each other's stock.

If this happens, United might take a second look at USAir as a defensive move, industry sources said.

"We will not comment on rumors," a USAir spokesman said, adding that the airline "will always act consistent with its own interests."

Executives of British Airways and American also refused to comment. Following American's annual shareholders meeting last week, Chairman Robert L. Crandall said the airline had talked with several European airlines but that no deal had been made.

Britain's top aviation negotiator, Tony Goldman, is to meet Monday in Washington with Assistant Transportation Secretary Charles Hunnicutt to renew talks about liberalizing air service between the two countries. The two sides are seeking a basis for reopening negotiations on expanded air travel rights, a Transportation Department spokesman said, adding that the issue of American and British Airways was not on the agenda.

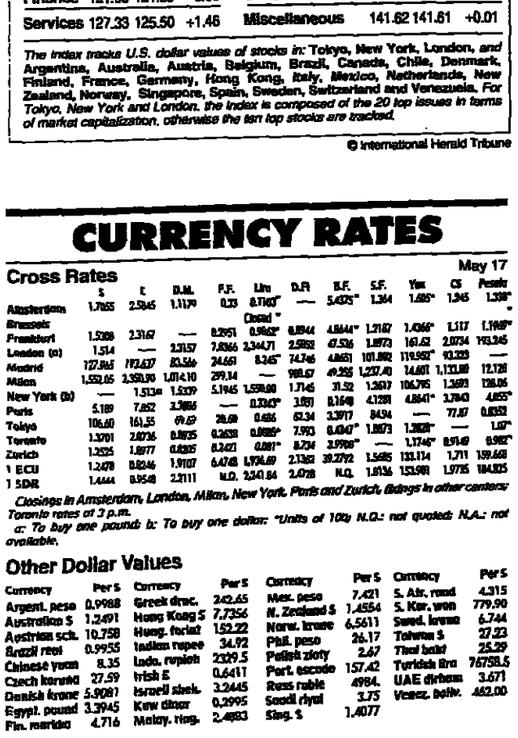
■ Loss Expected for Lufthansa

Lufthansa AG will announce Tuesday a loss of about $26 million for the first quarter, analysts said, but they added that the German flag carrier was set for hefty profit gains this year, Reuters reported from Frankfurt.

"We're looking at a group pretax loss before items of around 40 million marks," said Hans-Joachim König of BHF Bank AG. "But that's typical for the season, and it cannot be extrapolated for the full year."

At its annual results conference, analysts said, Lufthansa will announce a dividend increase and forecast a healthy 1996 on the back of a string of global alliances and a weakening Deutsche mark.

THE TRIB INDEX



International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News.

Week ending May 17, daily closings. Jan. 1992 = 100.

Industrial Sectors/Weekend close

	5/17/96 close	5/10/96 close	% change		5/17/96 close	5/10/96 close	% change
Energy	144.08	142.37	+1.20	Capital Goods	148.47	145.06	+2.35
Utilities	130.25	130.11	+0.11	Raw Materials	160.28	157.89	+1.51
Finance	121.08	121.69	-0.66	Consumer Goods	143.96	139.36	+3.30
Services	127.33	125.50	+1.46	Miscellaneous	141.62	141.61	+0.01

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. *For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.*

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CURRENCY RATES

Cross Rates — May 17

	$	£	D.M.	F.F.	Lire	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.7855	2.5845	1.1179	0.33	0.1767*	—	5.4025*	1.364	1.685*	1.345	1.358*
Brussels					Closed *						
Frankfurt	1.5088	2.3167	—	0.2951	0.1562*	0.8944	4.8644*	1.2107	1.4066*	1.117	1.1989*
London (a)	1.514	—	2.3157	7.8366	2.344.71	2.5892	47.526	1.8973	161.63	2.0034	193.345
Madrid	127.965	193.637	80.566	24.661	8.245*	74.746	4.4651	101.882	119.902*	93.233	—
Milan	1,552.05	2,350.90	1,014.10	299.14	—	908.67	49.255	1,237.40	14.601	1,133.88	12.128
New York (b)	—	1.513*	1.5209	5.1945	1,559.00	1.7145	31.52	1.3697	106.795	1.3691	130.06
Paris	5.189	7.852	3.3886	—	0.3363*	3.031	0.1648	4.1228	4.8647*	3.3963	0.4555*
Tokyo	106.60	161.35	69.69	20.69	0.686	63.34	3.3917	84.94	—	77.87	0.0938
Toronto	1.3701	2.0736	0.8955	0.2658	0.0885*	7.993	0.4047*	1.0073	1.2838*	—	1.65*
Zurich	1.2525	1.8977	0.8205	0.2431	0.081*	0.734	3.9906*	—	1.1746*	0.9149	0.992*
1 ECU	1.2478	0.8246	1.9107	6.4748	1,936.69	2.1362	39.2792	1.5685	133.174	1.711	159.668
1 SDR	1.4444	0.9548	2.2111	N.Q.	2,241.84	2.4728	N.Q.	1.8156	153.998	1.9795	184.805

Closings in Amsterdam, London, Milan, New York, Paris and Zurich. Bidings in other centers: Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	242.65	Mex. peso	7.421	S. Afr. rand	4.315
Australian $	1.2491	Hong Kong $	7.7356	N. Zealand $	1.4854	S. Kor. won	779.90
Austrian sch.	10.758	Hung. forint	152.22	Norw. krone	6.5611	Swed. krona	6.744
Brazil real	0.9955	Indian rupee	34.92	Phil. peso	26.17	Taiwan $	27.23
Chinese yuan	8.35	Indo. rupiah	2329.5	Polish zloty	2.67	Thai baht	25.29
Czech koruna	27.59	Irish £	0.6417	Port. escudo	157.42	Turkish lira	76758.5
Danish krone	5.9087	Israeli shek.	3.2445	Russ ruble	4984.	UAE dirham	3.671
Egypt. pound	3.3945	Kuw dinar	0.2995	Saudi riyal	3.75	Venez. bolív.	462.00
Fin. markka	4.716	Malay. ring.	2.4883	Sing. $	1.4077		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5122	1.5115	1.5108	Japanese yen	106.45	106.00	105.58
Canadian dollar	1.3708	1.3716	1.3724	Swiss franc	1.2531	1.2496	1.2460
Deutsche mark	1.5785	1.5257	1.5229				

SOURCES: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Jakarta Notebook

Wary Government Forecast Risks Wrong Phone Numbers

Demand for basic telephone services in Indonesia is increasing so fast that the government may have underestimated how many fixed lines were needed when it approved a major expansion of the network late last year.

The government's development program calls for the addition of 5 million lines by 1999 at a cost of about $6 billion, bringing the total lines to about 8 million. By then, Indonesia's population will be over 200 million.

Of the 5 million new lines, 3 million are to be installed by the state-controlled domestic telephone operator, PT Telkom Indonesia, and 2 million by five groups of local and foreign private sector companies.

Adi R. Adiwoso, president director of PT Pasific Satelit Nusantara, an Indonesian communications company, reckons that if the economy keeps growing and per capita income doubles to reach $2,000 in 2005, Indonesia will need 20 million lines just to reach the minimum acceptable ratio of about 10 telephones per 100 people.

Installing the extra 12 million lines in the six years after 1999 will be a tall order. Joop Ave, the telecommunications minister, is concerned, and he said he has asked his ministry to review the supply-demand balance.

A new round of bidding for fixed lines is considered likely in the next year or two.

A Handy Alternative

Well before then, probably by early 1997, the government is expected to offer licenses for the operation of so-called personal handyphone systems. Such systems offer mobile phone services at lower cost than existing systems using the GSM, or global system for mobile telecommunications, standard.

Fred Thomas, an analyst at PT Peregrine Sewu Securities, said personal handyphones would appeal to Indonesia's growing middle-income consumers. "We expect these licenses will attract strong interest from new investors as well as existing joint ventures," he said.

Pressing Privatization

To trim national debt and increase efficiency, the government is pushing ahead with its program to privatize state industries.

In recent years, four major state concerns — Telkom; the international telecommunications operator PT Indosat; the cement company PT Semen Gresik; and the tin miner, PT Tambang Timah — have been partially privatized.

Jakarta-based brokers expect at least four more major listings by government companies in the next 18 months: Bank Negara Indonesia, Krakatau Steel, PT Jasa Marga, the national toll road operator, and Perusahaan Listrik Negara, the power utility known as PLN.

Mar'ie Muhammad, the finance minister, said that in the past 18 months the government had used nearly $1.5 billion raised from privatizations to pay down high-interest-rate debt.

The public offerings from the four government-owned firms likely to be listed on the Jakarta Stock Exchange in the next 18 months should increase market capitalization by nearly $10.5 billion, or 12 percent.

Rights to the Roads

Indonesia's road system cannot cope with surging traffic, but the government can't afford to build more roads. So it has invited private companies to form joint ventures with Jasa Marga, the state-owned toll road operator.

Just over 1,800 kilometers (1,117 miles) of toll roads — mainly on the island Java — are planned to be in place by 2020.

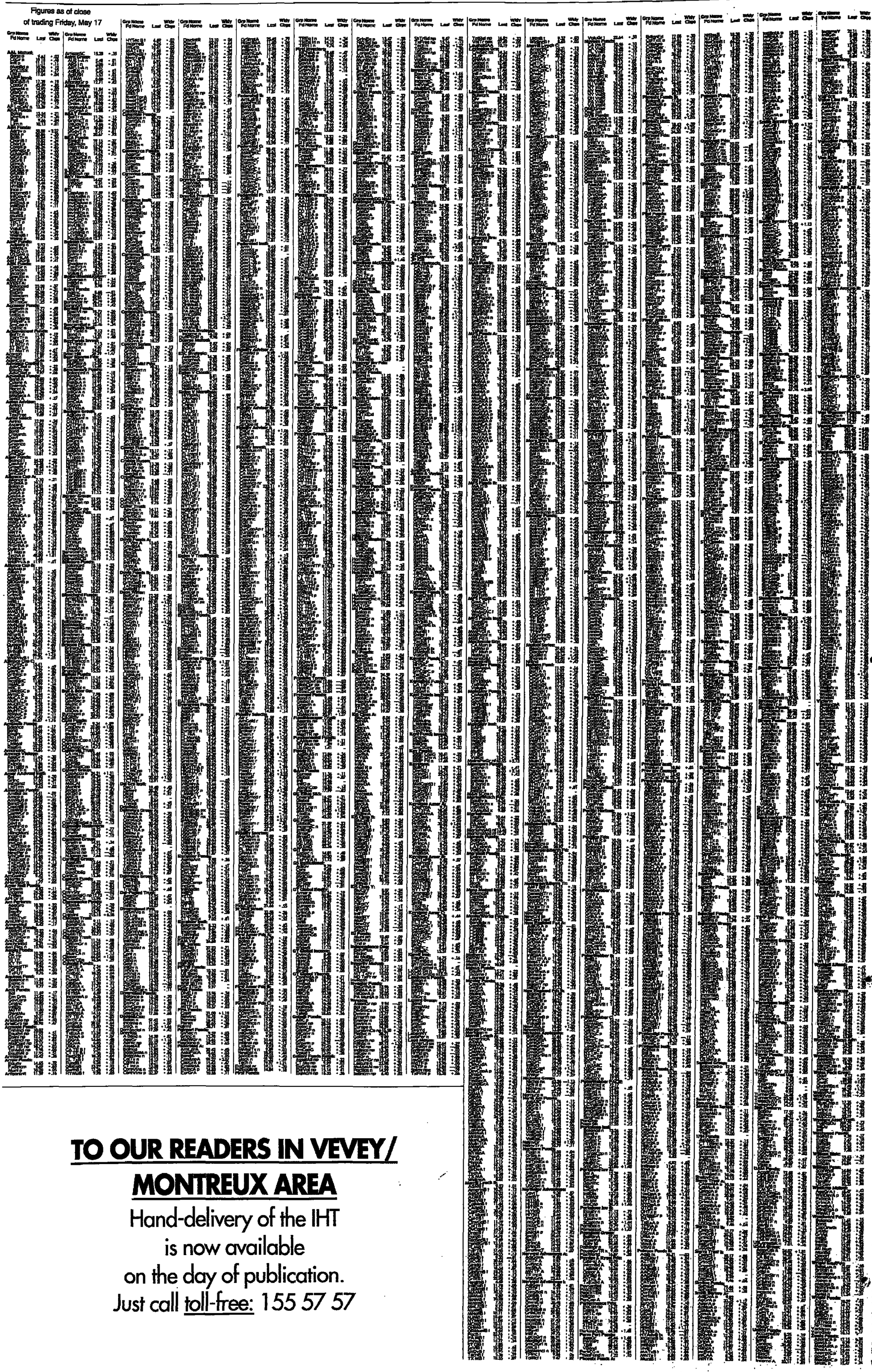
So far, only about 450 kilometers are operational and foreign participation has been limited. Some banks are skeptical about Indonesia's toll road projects because revenues will be denominated in rupiah, and the local currency has been steadily depreciating against the dollar.

Michael Richardson



MUTUAL FUNDS

Figures as of close of trading Friday, May 17



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Inflation Fears Vindicate a Bear

A Fontaine Fund Surges at Last on Resources Stocks

By Timothy Middleton
New York Times Service

One week, inflation fears grab the stock market by the throat. The next week, they all but dissipate.

Amid the jolts, investors keep gaining. But a select group, those most concerned about rising prices, has done extraordinarily well this year.

They have flocked to precious metals, commodities and natural resources. Such assets, they say, represent the best opportunity because inflationary pressures are building in the economy.

Whether prices really soar in coming months — something much in dispute — money managers who espouse this theory are enjoying at least a short bonanza.

One of them is Richard H. Fontaine, who started a group of funds in Towson, Maryland, after many years at T. Rowe Price.

A superstar at the helm of T. Rowe Price Capital Appreciation fund in the late 1980s, Mr. Fontaine anticipated the 1987 market collapse and bought aggressively afterward, delivering average annual returns of nearly 40 percent.

But his record cooled shortly after he opened his own company in 1989. He contended that equities were experiencing a speculative bubble, but the stock market defied him by rising ever higher.

He acknowledges that he was at least five years early. "Let's face it," he said, "I'm a bear."

Because of lackluster returns, total assets under management have shriveled to $100 million from four times that amount at their peak. His three funds remain far too small to be listed in most newspapers and magazines.

The best of his funds this year has been the smallest, Fontaine Global Growth, with a gain approaching 50 percent through May 7. Fontaine Capital Appreciation, the biggest fund, has gained nearly 30 percent this year, while Fontaine Global Income is up almost 20 percent.

Mr. Fontaine believes that stocks are very overvalued.

Since inception, Fontaine Global Growth has an annualized return of 13.31 percent, compared with 11.62 percent for world stock funds on average. In truth, though, it is less a global fund than a natural resources fund.

Mr. Fontaine continues to maintain that financial assets like stocks and bonds are grossly overvalued, and he concentrates on defensive positions in gold mining and similar equities.

"I've long thought that if things went the way I expected, the last thing to go up before the market goes down is inflation-related stocks, especially gold," he said. "If you inflation-adjusted the price of gold back to 1934, the current price should be about $470 to $490 an ounce, and I believe it will go to that level and beyond."

Despite a run-up this year, gold is trading at less than $400.

Chuck Zender, managing director of the Leuthold Group, an institutional research firm in Minneapolis, said Mr. Fontaine had been consistent in his outlook and that the market had simply come around to him.

About 65 percent of the global fund's assets are invested in mining and exploration companies, while 5 percent are in international oil companies. Rounding out the portfolio is a handful of retailers, insurers and others with depressed prices.

In terms of foreign exposure, more than half the fund's assets are in Canadian mining and exploration companies, with just 25 percent in the United States.

Much of the fund's return this year can be attributed to the 12 percent invested in Golden Star Resources, a gold and diamond exploration company based in Denver.

Even though the stock soared last week to $17 from the $5 Mr. Fontaine paid last year, following the discovery of diamonds in French Guiana, Golden Star remains more a promise than reality. Its geologists slash their way through rain forests in search of a big deposit. When they find it, they negotiate mineral rights with local governments and then sell interests to mining companies.

Winning Performance in Stock Funds Sometimes Comes in Small Packages

By Carole Gould
New York Times Service

With more than 3,000 stock funds on the market, it is not surprising that some good ones fly under the radar.

But it is worth the time to search out tomorrow's winners, especially because the more popular ones are slamming the door on new investors.

In their seventh annual list of forgotten funds, the researchers at Morningstar Inc. in Chicago present five that they call real winners.

Each manages less than $150 million and has built a good record at least five years' long under its current manager. Although small size means lower fee income for the sponsoring companies, investors can often benefit from a small fund's agility, the analysts say.

This year's list is eclectic. Two are growth funds, one of which buys most of its stocks in its home state of Minnesota. There is a value fund that hoes the turf overseas, a fund that owns convertible securities and another that relies on market timing.

Ron Canakaris, who has run Enterprise Growth and its predecessor fund since 1980, seeks out companies with above-average long-term earnings growth at a reasonable price. He owns 35 to 40 big stocks — the average market value is $25 billion — and holds on for at least two years. His current favorites are multinational consumer and health-care stocks, like Coca-Cola Co., Procter & Gamble Co., Johnson & Johnson, Pfizer Inc. and Merck & Co.

The strategy is similar at Mairs & Power Growth, but about three-quarters of its companies are based in Minnesota — home to George A. Mairs, who has run the fund since 1980.

Why Minnesota? Mr. Mairs cites a recent study that found more publicly held businesses per person in Minneapolis-St. Paul than in any other major metropolitan area. "That indicates a strong entrepreneurial achievement," he said.

Health-care stocks now account for about a quarter of the fund, with Medtronic Inc. and St. Jude Medical Inc. two of the biggest holdings.

By contrast, Hotchkis & Wiley International uses value, rather than growth, to pick stocks. Sarah Ketterer and Harry Hartford, co-managers of the fund, seek bargains overseas, mostly in the developed markets of Europe, Asia, the Far East and Canada.

The two buy only those stocks that are inexpensive by a formula they devised that takes into account corporate earnings and local bond yields.

The fund is diverse geographically, with its largest weightings in Japan, 15 percent; Britain, 13 percent, and Hong Kong, 10 percent. Recent purchases include Nippon Fire & Marine Insurance Co. and Arab-Malaysian Corp.

Mitchell Cone describes his Franklin Convertible Securities fund as "a defensive growth-and-income fund." Mr. Cone and his co-manager, Edward Jamieson, aim to capture at least 70 percent of the market's appreciation, but they limit risk by buying convertible securities, mostly below-investment-grade, or junk, bonds with short maturities.

Over the last few months the fund has sold the issues most sensitive to interest-rate changes and bought cyclical ones from companies like Whirlpool Corp. and Cooper Industries Inc., betting that the economy will pick up.

The fifth fund, Flex-Funds Muirfield, is what Morningstar analysts call a market timer: Robert S. Meeder Jr., the manager, moves in and out of stocks based on a model that weighs several fundamental and monetary indicators. About 20 percent of the fund currently is in cash. The rest is in 15 funds, including T. Rowe Price New Horizons, Founders Growth and Fidelity Advisors Equity Portfolio Growth.

SHORT COVER

Railtrack Shares Sold at 390 Pence

LONDON (Reuters) — Britain said Sunday that it had sold all the shares in the national rail network operator Railtrack PLC amid strong demand.

Defying critics of the controversial privatization, the government said that after counting applications it had set the provisional final share price at 390 pence each and that, adjusting for a 10 pence discount for individual investors, the sale would raise about £1.93 billion ($2.92 billion).

The price was at the top of a range of 350 pence to 390 pence set May 1, as the offer was oversubscribed 14 times because of heavy demand from financial institutions.

Toyota Said to Be Altering Board

TOKYO (Reuters) — Toyota Motor Corp. plans to replace 16 of its 58 directors as part of its effort to increase domestic sales and expand overseas business, a Japanese news report said.

Quoting company sources, the Kyodo news agency said the automaker would replace 16 board members and increase the number of vice presidents to six from five.

The shuffle is expected to produce a quick decision-making team of managers, the sources said.

Pact Restructures Vietnam's Debt

HANOI (Bloomberg) — Vietnam has reached an accord with commercial creditors on restructuring its debt in a deal that is expected to bring the nation back into international capital markets.

Hanoi owes more than $800 million to creditors, primarily Japanese banks. Australia & New Zealand Banking Group and Bank of Tokyo-Mitsubishi Ltd. led the negotiations for the so-called London Club group of creditors.

"The talks have finished, and an agreement has been signed," Pham Tran Binh, an assistant to the governor of the State Bank, said Saturday.

For the Record

• **The Association of Coffee Producing Countries'** 14 members will limit exports to 53.55 million 60-kilogram (27.3-pound) bags for the year starting July to maintain prices.

• **Walt Disney Co.** claimed its former studio chief, Jeffrey Katzenberg, was not entitled to a $250 million bonus he is suing to collect. *AFP, AP*

HONG KONG: *Business Frets*

Continued from Page 11

to cause some significant jolts to confidence in the weeks and months ahead," it said. "It is not possible to say at this stage whether such jolts will have lasting negative effects."

Americans are not the only foreign investors to worry about the implications of Beijing's activism. Hiroshi Zaizen, senior managing director of Mitsubishi Corp., came from Japan to address the same gathering as Mr. Chien.

He told the several hundred business leaders that a survey of its members by the Japanese Chamber of Commerce and Industry in Hong Kong revealed anxieties about the impact of Beijing's rule on Hong Kong's public order, monetary stability, tax system, press freedom and real-estate market.

He also fretted about the dangers of a brain drain and declining English proficiency among young people.

Ishii Yoshiaki, the president of the Japanese commerce group, said he found the uncertainty of the business climate most nettlesome.

"Hong Kong is going to be affected 100 percent by China," he said. "The point is, what is going to happen?"

Beijing's tightening grip is hardly a big surprise. In anticipation of Britain's departure, more than half of the companies on the Hong Kong exchange have moved their official domiciles abroad.

Many of the trusts of Hong Kong's wealthiest families are also registered overseas, and even the most publicly pro-China tycoons have foreign passports tucked in their back pockets, just in case.

The man on the street apparently harbors the same forebodings. In February, as a deadline for obtaining British travel documents loomed, more than 100,000 Hong Kong citizens stood in line in the hopes of snagging one.

Also, however Beijing well behaves, Hong Kong's stature as the entrepôt to China and a regional base for Southeast Asia is being challenged by the explosion of opportunities elsewhere.

Yet no one here regards Hong Kong as a sinking ship. Mr. Chien, the managing director of the Lam Soon Hong Kong Group who likened Hong Kong to a bottle of wine, took a sympathetic view of Beijing.

"Their primary task is governing a country of 1.2 billion people that is still poor. Then yo u have this little place of 6 million people, with bigger foreign exchange reserves, bigger trade," he said. "It's almost like you have to switch from one compartment of your brain to another."

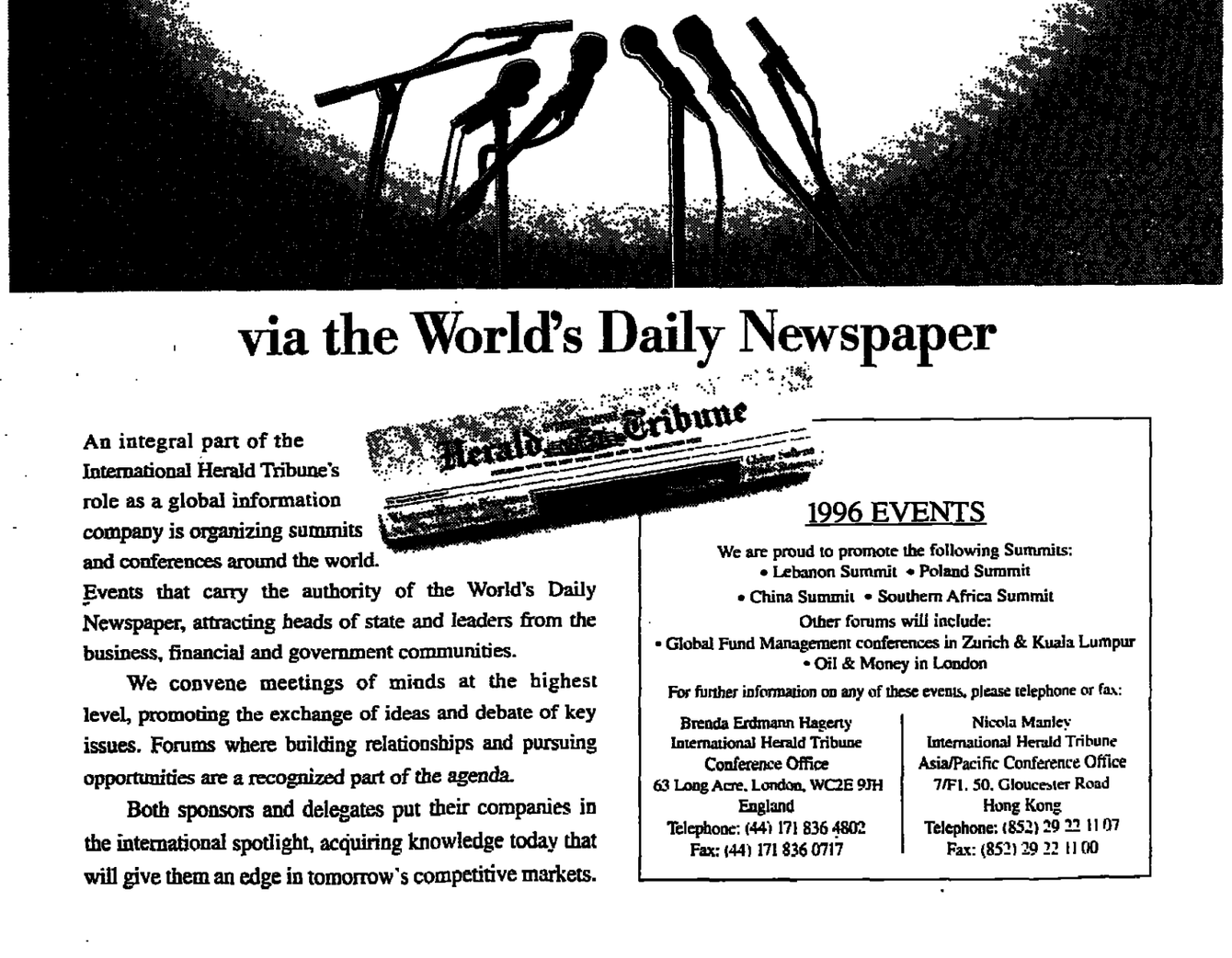
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NASDAQ NATIONAL MARKET

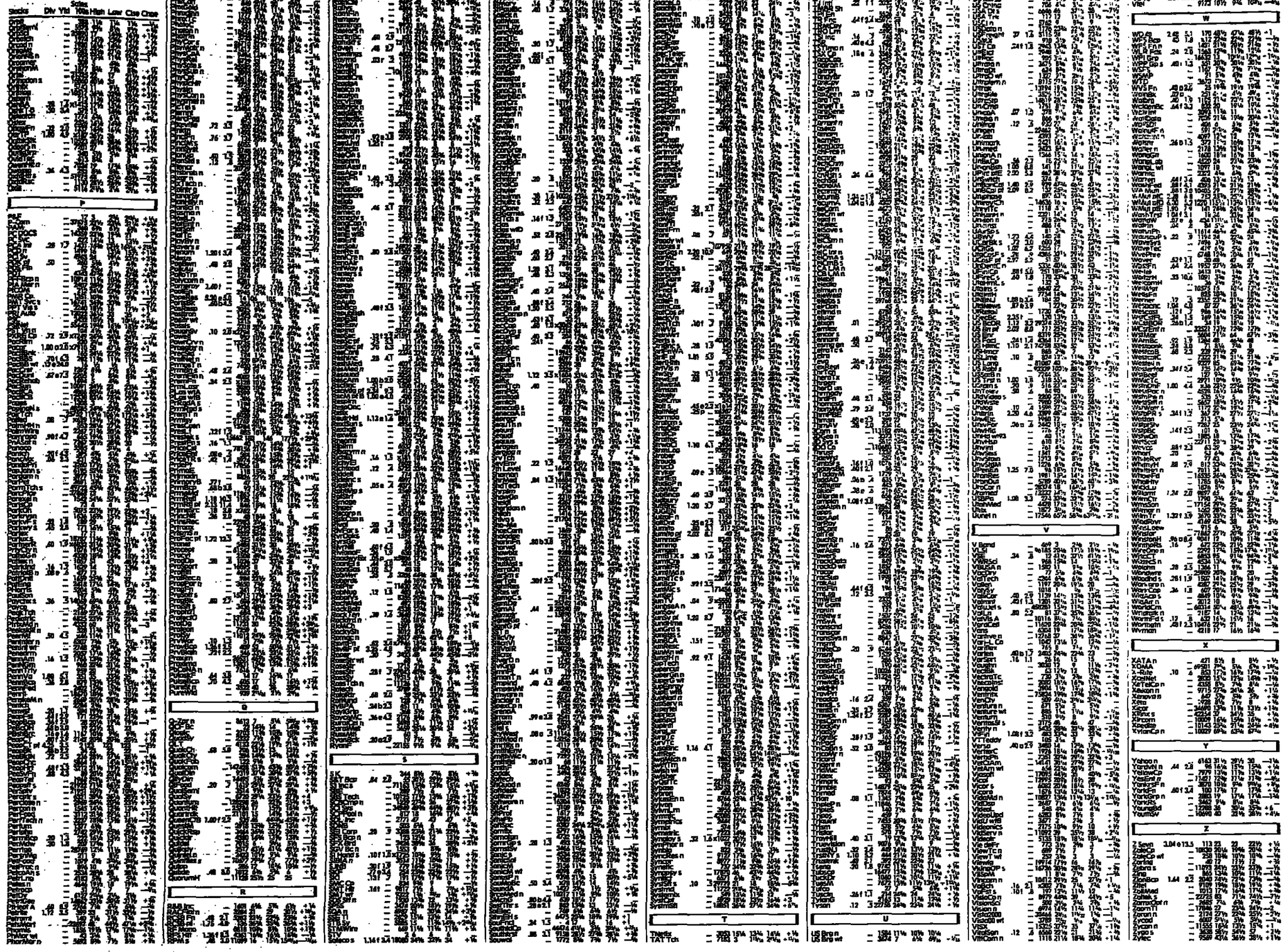
Consolidated prices for all shares traded during week ended Friday, May 17

Continued on Page 15

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, May 17

(Continued)



DENNIS THE MENACE



"I HAD TO GET OUT OF THE HOUSE. MOM WAS MAKING ME BEHAVE."

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

SAUPE

YUMOS

LOEPPE

BRIMLE



WHAT THE PLUMBER'S WIFE WORE TO THE BALL.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

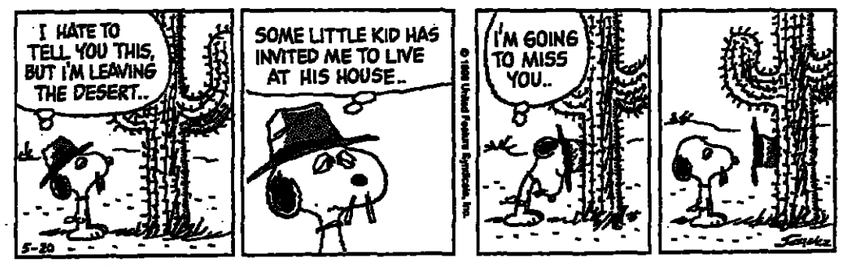
Answer here : A ____ OF ____ (Answers tomorrow)

Saturday's Jumbles: EPOCH POISE FEEBLE REDUCE
Answer: Seldom heard at fund raising dinner — "FREE" SPEECH

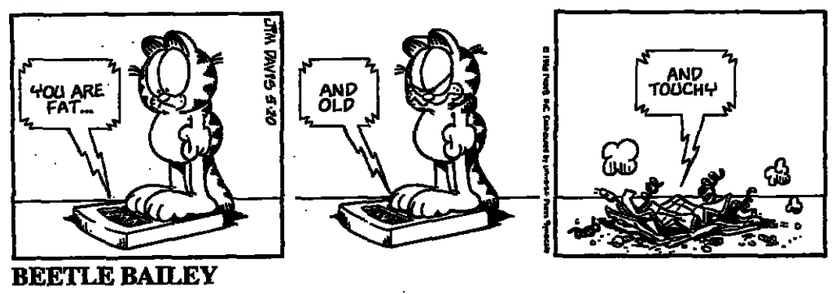
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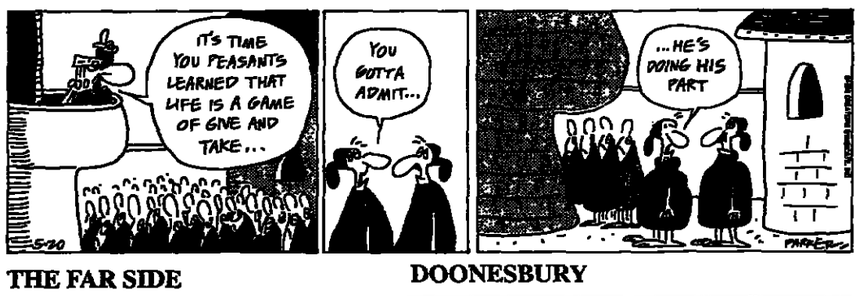


BLONDIE

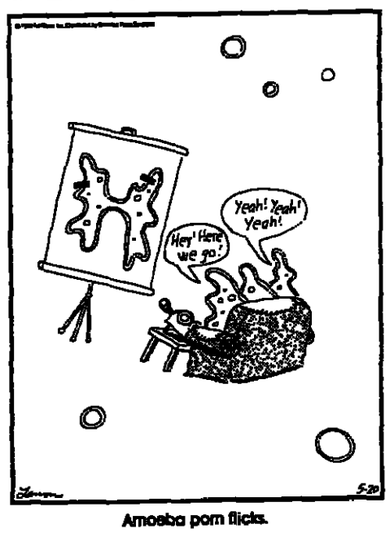


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SPORTS

Two Dark Horses Shine In Surprising Preakness

By Andrew Beyer
Washington Post Service

When Nick Zito scored his first triumph in a Triple Crown race with Strike the Gold in the 1991 Kentucky Derby, the reaction of the racing world was universal: Isn't it heartening that a trainer with such ordinary abilities can enjoy a fleeting moment of glory?

Zito's modest reputation seemed justified by his record, and even as he won two more classics his old image was slow to die. But after Saturday's Preakness, even the doubters must pay homage to the 48-year-old New Yorker. If he can get a mediocre animal such as Louis Quatorze to win a classic race, he must possess some special magic. And not only is he skillful, he's lucky, too.

Louis Quatorze had lost the Kentucky Derby by 23 lengths while running against most of the rivals he faced Saturday. But even if that dismal effort were dismissed as a fluke, the colt's previous races hadn't been very good. In the Florida Derby he benefited from the best trip a horse can enjoy, sitting all by himself in third place behind two dueling leaders. Yet he backed up and finished fourth. The assessment of handicappers was that this was a faint-hearted bum.

Yet Zito maintained enough confidence in his colt to bring him to Baltimore. Unlike some trainers who will throw any ambulatory 3-year-old into a big race, Zito is emphatic that he only will come to these races with a horse who belongs. He maintained confidence in "Louie," decided to ignore the Derby and unhesitatingly came to the Preakness.

Although the vogue among trainers is to arrive at Pimlico as late as possible, Zito brought Louis Quatorze more than a week in advance. "When we came in," he said, "it was unbelievable that we were the only ones there. But Louie took to the track, the surroundings, the city of Baltimore. And Louie did exceptionally well during the last week."

Zito succeeded in getting Louis Quatorze fit and sharp enough to run as well as he can. Ordinarily, his best might not have been enough. The extra help he needed came from Zito's handicapping judgment and from the gods of racing.

In contrast to the Kentucky Derby, which was characterized by an abundance of speed horses and an insanely fast pace, the Preakness didn't have a single habitual front-runner in the lineup.

So before the race Zito told jockey Pat Day that these were the three items on his wish list: "Excellent means if you can get the lead. If you can lay second, that would be good. If you lay third, that would be fair."

Moreover, the Pimlico racing strip unexpectedly developed a speed-favoring, rail-favoring bias in mid-afternoon. The track had been muddy early in the day, but as the sun shone brightly and dried it out, the strip got much faster and more speed-favoring. In the last dirt race before the Preakness, a speedster named Forest Wildcat led all the way along the inside to set a six-furlong track record.

When the gate opened for the Preakness, Day came out hustling, as did Shane Sellers on the well-regarded Skip Away. Sellers had the same idea that Zito did. But Louis Quatorze was breaking from post No. 6 while Skip Away was in post 11. At the first turn, Louis Quatorze had staked out his position on the rail, while Skip Away was forced to chase from the outside. The two colts ran one-two all the way around the track. If the post positions had been reversed, Skip Away probably would have won.

Editor's Note hugged the rail to finish third and Victory Speech finished fifth with an inside trip. The favorite, Cavonnier, abandoned the rail to make a move on the outside and struggled home to a disappointing fourth-place finish.

Perhaps the greatest testament to Zito's skill is his management of horses Triple Crown success.

D. Wayne Lukas is the most successful trainer in Triple Crown races: he had won six in a row before Saturday. But none of his good 3-year-old colts in recent years has competed at the age of 4; some didn't survive the Triple Crown series.



Denis Paquin/The Associated Press

Jockey Pat Day cheering atop Louis Quatorze at the Preakness finish.

Zito nurtures his horses. Strike the Gold came back to win Grade I stakes as a 4-year-old. Go for Gin, the '94 Derby winner, kept going as a 4-year-old year.

Louis Quatorze was lucky to win the Preakness. He's also lucky to have Nick Zito as his trainer, and for that reason he may be heard from again.

■ Day Hurt in Fall

Pat Day was thrown from his mount shortly before the first race at Churchill Downs Sunday. Day was unseated during the post parade and struck his head along the outside rail. He complained of a headache and was taken to the hospital. *(AP)*

Atletico's Late Goal Brings Title Closer

Reuters

An 88th-minute goal by the Argentine striker Leonardo Biagini earned Atletico Madrid a 1-1 tie at Tenerife on Saturday.

The result meant that even if second-place Valencia wins both its remaining games, Atletico needed only a tie at home against Albacete next weekend to take its ninth championship.

Juan Pizzi, Spain's leading goal scorer, put the home side ahead. He won the ball at midfield, moved past a defender, and charged forward. His kick deflected into the Tenerife net off a defender, Cesar Gomez.

SOCCER ROUNDUP

ITALY Fiorentina won its first trophy in 21 years on Saturday by beating Atalanta, 2-0, in Bergamo in the second-leg Italian Cup final and 3-0 on aggregate. Fiorentina's first prize since it last won the cup in 1975 also meant that Roma and Parma qualified for the UEFA Cup.

Lorenzo Amoruso put visiting Fiorentina ahead in the 48th minute and Gabriel Batistuta sealed victory in the 61st. The game was overshadowed by violence between rival supporters who clashed inside and outside the stadium. Supporters of the two clubs threw bottles and firecrackers at each other. Police fired tear gas to keep the supporters apart.

PORTUGAL A fan died Saturday after a rocket-type firecracker hit him in the stomach during the Portugal Cup final between Lisbon rivals Sporting and Benfica. The rocket was fired across the Estadio Nacional into the crowded Sporting section shortly after Benfica scored its first goal in the 8th minute.

Rui Mendes, 36, was hit in the abdomen and dropped to the ground where he lay motionless while fellow spectators hurried from the area.

Mendes belonged to a Sporting fan club whose members began to leave the stadium after the incident shouting "Murderers!" to the Benfica fans.

Officials decided not to suspend the game, but chose to postpone the cup-awarding ceremony to another day. Benfica won 3-1.

FRANCE Youri Djorkaeff ended the French league season with some panache, scoring four goals as Paris St.-Germain overwhelmed Bastia 5-0.

Auxerre, which wrapped up its first league title a week ago, squeezed out a 2-1 victory over last year's champions, Nantes, thanks to a goal in the closing seconds.

Auxerre players, who sported blue, red and white hairdos struggled in the second half and had to wait until just before the final whistle for captain Corentin Martins' winner.

Monaco's Brazilian striker Sonny Anderson scored two goals to finish as the leading first-division marksman with 21 goals.

Marseille beat Sochaux, 4-1, at home. With one match to go, Marseille is assured of finishing at least second in the second division. Leaders Caen are also sure to be promoted.

GERMANY Rudi Völler's final game in German league soccer ended in drama on Saturday when his team Bayer Leverkusen snatched a late equalizer to send the 1991 champions, Kaiserslautern, down into the second division.

Former UEFA Cup winners Leverkusen avoided relegation after an 81st-minute goal by defender Markus Münch. Kaiserslautern was one of just four clubs to play in the Bundesliga since its start. Eintracht Frankfurt, Cologne and Hamburg were the others.

Eintracht had already been doomed to relegation before Saturday. Cologne could have gone down but made sure of their place with a 1-0 victory at Hansa Rostock.

SCOTLAND The Danish international Brian Laudrup scored twice and set up a hat-trick for Gordon Durie as Rangers routed Hearts, 5-1, in the Scottish Cup final on Saturday.

UNITED STATES In Tampa, Florida, Roy Lassiter scored two of Tampa Bay's three first-half goals in a 3-2 victory over the San Jose Clash. Steve Ralston scored Tampa Bay's second goal following a spectacular assist by Carlos Valderrama, who also created both Lassiter's goals.

In Dallas, the Mexican star Hugo Sanchez scored in his Major League Soccer debut and Jason Kreis scored twice as the Dallas Burn beat D.C. United, 3-2. The game drew 23,251 fans to the Cotton Bowl stadium.



John Bazemore/AP

Pole vaulter Sergei Bubka sheltering from the heat in Atlanta.

For Olympic Sprinters, a Blistering Pace

By Jere Longman
New York Times Service

ATLANTA — The Olympic Stadium may be bland in design, but there is nothing innocuous about the temporary track inside. Two months before the Summer Games, the 83,100-seat stadium opened Saturday with sprint times as blistering as the heat.

Nine world-leading marks were produced on a cloudless afternoon at the Atlanta Grand Prix meet, as the temperature soared past 90 degrees Fahrenheit (32 degrees centigrade) and Carl Lewis climbed back into contention for a gold medal in the Olympic 100 meters.

Michael Johnson needed the world's fastest time this season at 200 meters, 19.84 seconds, to overtake Mike Marsh, the Olympic champion, in the final 25 meters. Gwen Torrence, the world champion, ran the fastest women's 100 meters of the season in 10.85 seconds.

Dennis Mitchell, the Olympic bronze medalist, matched the season's fastest time in the men's 100 with 9.93 seconds. More significantly, Lewis ran under 10 seconds for the first time since 1991 with a second-place finish of 9.94.

The times in the men's 100 were not legal, having been run in an aiding wind just over the allowable limit of 2.0 meters per second. But it hardly mattered. Mitchell collected his most important victory in a year or more. And, at 34, Lewis showed that, come July, he is a threat to win his third Olympic gold medal in the 100. "It established that I feel like myself again," Lewis said.

The mile and the pole vault produced the best results ever on American soil. Noureddine Morceli of Algeria ran the fastest outdoor mile ever in the United States (3 minutes 50.56 seconds). Sergei Bubka of Ukraine won the pole vault with a leap of 19 feet 9 inches (5.9 meters), but missed all three attempts at a world record.

Lewis had been written off after a poor indoor season. But weight lifting has trimmed his body fat and made him stronger. The urgent question is whether he can hold up during the Olympic trials, where he must run four rounds of the 100 to qualify for the Games.

"It's an Olympic year, and Carl seems to get focused and find some added energy during an Olympic year," said Donovan Bailey, the world champion from Canada who finished third after a race he described as "pathetic."

The Olympic Stadium received high marks from athletes but it is architecturally sterile. In spending so much energy mimicking baseball parks from the 1930s, designers left the Olympic Stadium without any defining features of its own. Its red brick facade rests sideways to the nearby interstate, presenting passersby with a warehouse blandness rather than any Olympic majesty.

The best one can say is that it may make a nice baseball stadium, which is what the $209 million structure will become when the track is removed and the capacity cut to 49,000 after the Games.

Lomu Powers Auckland to Final

Reuters

AUCKLAND — All Black winger Jonah Lomu scored two of Auckland's eight tries as the home side crushed Northern Transvaal, 48-11, in a Super-12 rugby union semifinal on Sunday.

The New Zealand team will host Natal of South Africa in the final.

Auckland played an expansive game, its agile forwards constantly setting up second- and third-phase play for its penetrating and powerful backline.

All Black captain Sean Fitzpatrick opened the scoring in the 10th minute after collecting the ball just a yard short of the goal line.

Jannie Kruger replied with two penalty kicks, but Adrian Cashmore and John Ngauamu then scored tries for the home team. Cashmore's kicking was off target, however. He missed four of his eight attempts at goal. Lomu scored the first of his tries early in the second half with a powerful run, carrying three tacklers over the line with him.

Northern Transvaal struck back with an opportunist's try to Conrad Breytenbach. But Robin Brooke quickly replied and Lomu put the game out of the visitors' reach, rounding his opposite number for his second try.

On Saturday in Brisbane, winger Cabous Van der Westhuisen scored three tries as Natal swamped holders Queensland, 43-25.

The South Africans scored seven tries to three to ruin Queensland's bid for a third successive southern hemisphere provincial title.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
New York	24	15	.615	—
Baltimore	22	18	.550	2½
Toronto	19	22	.463	6
Boston	15	24	.385	9
Detroit	12	32	.273	14½
CENTRAL DIVISION				
Cleveland	27	13	.675	—
Chicago	23	18	.561	4½
Milwaukee	19	20	.487	7½
Minnesota	18	22	.450	9
Kansas City	18	25	.419	10½
WEST DIVISION				
Texas	27	15	.643	—
Seattle	22	19	.537	4½
Oakland	20	20	.500	6
California	19	22	.463	7½

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Montreal	28	15	.651	—
Atlanta	27	15	.643	½
Philadelphia	20	21	.489	7
Florida	21	23	.477	7½
New York	17	23	.425	9½
CENTRAL DIVISION				
Houston	21	23	.477	—
Chicago	20	23	.465	½
Cincinnati	16	21	.432	1½
Pittsburgh	18	24	.429	2
St. Louis	17	25	.405	3
WEST DIVISION				
San Diego	26	17	.605	—
Los Angeles	23	21	.523	3½
San Francisco	20	20	.500	4½
Colorado	18	21	.462	6

FRIDAY'S LINE SCORES

AMERICAN LEAGUE

Oakland 201 000 000 00—3 6 0
Boston 100 100 010 02—5 12 1
(11 innings)
Wojciechowski, Taylor (8), Mohler (8), Van Poppel (9) and Steinbach; Wakefield, Gunderson (8), Slocumb (8), Garces (10), Stanton (11) and Stanley, Haselman (10). W—Stanton, 2-1. L—Van Poppel, 0-4. HRs—Oakland, McGwire (5), Giambi (6). Boston, Cordero (2), M. Vaughn (15).

Toronto 000 000 002—2 7 2
Kansas City 102 000 01x—4 8 1
Guzman, Bohanon (8), and S. Martinez; Belcher, Montgomery (9) and Macfarlane. W—Belcher, 4-2. L—Guzman, 4-3. Sv—Montgomery (10). HRs—Toronto, Sprague (11), Olerud (7).

California 000 110 030—5 9 0
New York 100 057 10x—9 10 1
J.Abbott, Schmidt (6), Holzemer (7), L. Smith (8) and Slaught; Pettitte, J. Nelson (8), M. Rivera (9) and Girardi. W—Pettitte, 6-2. L—J. Abbott, 1-6. Sv—M. Rivera (1). HRs—California, Howell (4), Velarde (3). New York, O'Neill (5).

Chicago 100 003 020 5—11 12 3
Detroit 010 004 100 0—6 12 2
(10 innings)
A.Fernandez, Karchner (6), R. Hernandez (8) and Karkovice; Lira, M.Myers (7), R. Lewis (8), Olson (10) and Parent, Flaherty (9). W—R. Hernandez, 1-0. L—R. Lewis, 1-3. HRs—Chicago, Da.Martinez (3), Baines (8). Detroit, Nieves (6).

Milwaukee 001 00(11) 000—12 15 0
Minnesota 000 010 000—1 5 0
Karl and Matheny; Parra, Naulty (6), Bennett (6), Milchin (6), Hansell (9) and Durant. W—Karl, 3-2. L—Parra, 1-2. HRs—Milwaukee, Nilsson 2 (3), Vina (2). Minnesota, Coomer (3).

Texas 001 620 100—10 14 3
Cleveland 020 021 41x—12 17 0
Ke.Gross, Cook (6), Russell (7), Vosberg (7), Heredia (7) and I.Rodriguez; Hershiser, Roa (4), Embree (5), Assenmacher (8), Mesa (9) and S. Alomar. W—Embree, 1-0. L—Heredia, 1-3. Sv—Mesa (16). HRs—Texas, Elster 2 (9). Cleveland, Murray (5), M. Ramirez (9).

Seattle 002 004 052—13 20 0
Baltimore 223 000 214—14 21 3
Wolcott, Klink (3), B. Wells (3), Davison (6), M. Jackson (8), Charlton (9) and D. Wilson; Haynes, A. Rhodes (6), R. McDowell (6), Orosco (8), Mills (8) and Hoiles. W—Mills, 1-0. L—Charlton, 1-1. HRs—Seattle, A. Rodriguez (7), Buhner (12). Baltimore, Polonia (1), R.Palmeiro (8), C. Ripken (2), Hoiles (7).

NATIONAL LEAGUE

Florida 000 000 001—1 5 0
Chicago 000 002 01x—3 4 0
A.Leiter, Te.Mathews (8), Y. Perez (8), Powell (8) and C. Johnson; Bullinger, Wendell (9) and Dorsett. W—Bullinger, 3-3. L—A. Leiter, 6-3. Sv—Wendell (13). HR—Chicago, Sandberg (9).

Cincinnati 001 100 000—2 10 0
Atlanta 050 110 01x—8 10 0
Smiley, McElroy (3), Moore (5), J. Ruffin (7), Lilliquist (8) and Taubensee; G.Maddux, McMichael (8), Borbon (9) and J. Lopez. W—G. Maddux 5-3. L—Smiley 3-4. HRs—Atl., McGriff (10), Dye (1), Klesko (13).

Pittsburgh 000 100 100—2 4 0
Houston 000 000 13x—4 7 0
Z.Smith, Lieber (8) and Kendall; Reynolds, To.Jones (9) and Wilkins. W—Reynolds, 6-2. L—Lieber, 0-1. Sv—To.Jones (9). HRs—Houston, B. L.Hunter (1), May (3).

St. Louis 005 120 300—11 10 1
Colorado 421 112 01x—12 14 3
Al.Benes, Petkovsek (2), Fossas (6), Bailey (7), Honeycutt (8) and Pagnozzi; Ritz, Habyan (3), S. Reed (6), M. Munoz (7), Leskanic (7), B. Ruffin (9) and Je.Reed. Owens (7). W—Leskanic, 3-2. L—Bailey, 2-1. Sv—B. Ruffin (3). HRs—St. Louis, B. Jordan (3), Pagnozzi 2 (3). Colorado, Burks (8).

Philadelphia 020 010 000—3 9 0
Los Angeles 000 320 10x—6 9 0
Grace, Springer (5), Borland (6), Leiper (8) and Santiago; Nomo, Radinsky (8), Osuna (8), Td.Worrell (9) and Piazza. W—Nomo, 6-3. L—Grace, 6-1. Sv—Td.Worrell (10). HRs—L.A., Piazza (11), Mondesi (10).

Montreal 100 000 000 000—1 7 0
San Diego 010 000 000 001—2 5 0
P.J.Martinez, Scott (9), Dyer (10), Daal (11), Rojas (12) and D.Fletcher, Spehr (12); Tewksbury, Bochtler (9), Hoffman (11) and B.Johnson. W—Hoffman, 7-1. L—Rojas, 3-2. HRs—Montreal, Lansing (2). San Diego, B. Johnson (3).

SATURDAY'S LINE SCORES

AMERICAN LEAGUE

Texas 110 000 220—6 10 1
Cleveland 012 000 000—3 7 3
D.Oliver, Russell (7), Henneman (9) and I. Rodriguez; Bn.Anderson, Assenmacher (8) and S. Alomar. W—D. Oliver, 3-1. L—Bn.Anderson, 0-1. Sv—Henneman (11). HRs—Texas, Hamilton (2). Clev., Belle (17).

Chicago 320 730 010—16 21 0
Detroit 037 000 000—4 10 0
Baldwin, McCaskill (2), Simas (7) and Karkovice; Farrell, Keagle (2), R. Veres (5), R. Lewis (7), M. Myers (8) and Flaherty. W—McCaskill, 2-2. L—Farrell, 0-1. Sv—Simas (1). HRs—Chicago, D.Lewis (1), F. Thomas (13), Baines (9), Durham (5). Detroit, Fryman (10).

California 000 000 201—3 11 1
New York 000 060 10x—7 6 0
S.Williams, Boskie (5), Pennington (6), James (7), Percival (8) and Slaught; Rogers, J. Nelson (7), Mecir (8), Howe (8), M. Rivera (9) and Leyritz. W—Rogers, 2-0. L—S. Williams, 0-1. Sv—M. Rivera (2). HR—New York, T. Martinez (6).

Oakland 002 000 011 2—6 9 0
Boston 010 300 000 1—5 10 0
(10 innings)
Prieto, Acre (2), Briscoe (4), Groom (7), Taylor (10) and Go.Williams, Steinbach (9); Clemens, Gunderson (8), Slocumb (8), Stanton (9), Garces (10) and Haselman. W—Groom, 2-0. L—Garces, 0-1. Sv—Taylor (3). HRs—Oakland, Giambi (7), Steinbach (8). Boston, Canseco (6).

Seattle 000 022 300—7 11 1
Baltimore 000 201 000—3 8 0
Milacki, Carmona (6), T.Davis (7), M. Jackson (8), Charlton (9), Marzano; Mercker, Orosco (6), R. McDowell (7), Krivda (8), Zaun. W— Milacki, 1-0. L— Mercker, 2-3. HRs— Seattle, A.Rodriguez(8), Buhner(13).

Milwaukee 400 000 012—7 13 1
Minnesota 300 000 000—3 8 0
Miranda, Garcia (6), Lloyd (9), Fetters (9) and Levis, Matheny (9); Mahomes, Hansell (7), Guardado (8), Stevens (9) and Durant, G.Myers (7). W—Miranda, 3-2. L—Mahomes, 1-2. Sv—Fetters (4). HRs—Minnesota, Cordova (4). Milwaukee, Js.Valentin (7), Jaha (6), Nilsson 2 (5).

Toronto 100 130 100—6 10 0
Kansas City 010 000 001—2 8 3
Viola, Castillo (7), Crabtree (8), Timlin (9) and O'Brien; Appier, Pugh (7), Jacome (7), Valera (9) and Fasano. W—Viola, 1-2. L—Appier, 3-4. HR—K. City, Paquette (2).

NATIONAL LEAGUE

Florida 000 001 020—3 13 0
Chicago 000 000 020—2 3 0
Burkett, Nen (8) and C. Johnson; Trachsel, M. Perez (8), B.Patterson (8), T. Adams (9) and Servais. W—Burkett, 3-5. L—Trachsel, 3-3. Sv—Nen (9). HRs—Florida, Sheffield (13), C. Johnson (8). Chicago, L. Gomez (7).

New York 205 300 013—14 15 2
San Francisco 012 001 001—5 8 1
M.Clark and Hundley; VanLandingham, Bautista (3), Creek (9) and Lampkin. W—M. Clark, 2-5. L—VanLandingham, 2-6. HRs—New York, Brogna (5), Hundley 2 (11). San Francisco, G. Hill (10).

Cincinnati 000 100 000—1 8 2
Atlanta 000 100 01x—2 4 1
Portugal, J. Ruffin (8), McElroy (8), Shaw (8) and J. Oliver; Glavine, Clontz (8), Wohlers (9) and J. Lopez. W—Clontz, 2-2. L—J. Ruffin, 0-2. Sv—Wohlers (7). HRs—Atlanta, Klesko (14). Cincinnati, E. Davis (9).

St. Louis 000 140 201—8 11 1
Colorado 000 102 105—9 14 0
Morgan, Fossas (6), T. J.Mathews (6), Honeycutt (8), Eckersley (9) and Pagnozzi; Freeman, Painter (6), M. Munoz (7), Holmes (8), Habyan (9) and Je.Reed. W—Habyan, 1-1. L—Eckersley, 0-4. HRs—Colorado, Burks (9), Bichette (4), L. Walker (9), VanderWal (1), Je.Reed (5). St. Louis, Lankford (10), Gaetti (4), Mabry (2).

Pittsburgh 000 000 100 01—2 6 0
Houston 010 000 000 00—1 3 2
(11 innings)
Darwin, Miceli (7), Cordova (9), Plesac (11) and Kendall; Kile, X.Hernandez (9), Morman (10), A. Young (10), T. Jones (11) and R.Wilkins. W—Cordova, 1-2. A.Young, 1-2. Sv—Plesac (3). HR—Houston, Berry (4).

Montreal 010 020 000—3 9 0
San Diego 011 000 000—2 6 1
Urbina, Scott (7), Daal (7), Rojas (8) and Webster, Spehr (8); Valenzuela, Florie (7) and B. Johnson, Ausmus (7). W—Urbina, 2-0. L—Valenzuela, 2-2. Sv—Rojas (7).

Philadelphia 000 100 001—2 8 1
Los Angeles 000 304 00x—7 9 2
S.Fernandez, Frey (6), Mk.Williams (7) and Lieberthal; Astacio, Park (7), Osuna (9) and Piazza. W—Astacio, 3-3. L—S. Fernandez, 2-4. Sv—Osuna (1). HRs—Los Angeles, Karros (6), Busch (1).

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct	GB
Chunichi	21	14	0	.600	—
Hiroshima	20	16	0	.556	1½
Yokohama	20	17	0	.541	2
Yomiuri	18	17	0	.514	3
Yakult	16	20	0	.444	5½
Hanshin	12	23	0	.343	9

SATURDAY'S RESULTS

Chunichi 5, Yokohama 4
Hiroshima 2, Hanshin 0
Yomiuri 4, Yakult 3

SUNDAY'S RESULTS

Yokohama 6, Chunichi 0
Hiroshima 7, Hanshin 0
Yomiuri 2, Yakult 0

PACIFIC LEAGUE

	W	L	T	Pct	GB
Nippon Ham	22	15	1	.592	—
Kintetsu	21	16	0	.568	1
Lotte	20	18	1	.526	2½
Orix	20	18	0	.526	2½
Seibu	17	19	1	.473	4½
Daiei	11	25	1	.311	10½

SATURDAY'S RESULTS

Nippon Ham 3, Lotte 2
Seibu 5, Kintetsu 4
Orix 6, Daiei 5

SUNDAY'S RESULTS

Nippon Ham 5, Lotte 2
Kintetsu 9, Seibu 5
Daiei 9, Orix 3

BASKETBALL

NBA Playoffs

CONFERENCE FINALS
(BEST-OF-7)
SATURDAY'S RESULT

Utah 23 16 21 12— 72
Seattle 24 30 23 25—102

U: Malone 10-19 1-6 21; Hornacek 5-12 3-3 13. S: Kemp 10-11 1-3 21; Payton 8-16 3-6 21. Rebounds— 49 (Malone 8), Seattle 49 (Kemp 11). Assists—Utah 20 (Stockton 7), Seattle 27 (Payton 7).
(Seattle leads series 1-0).

HOCKEY

NHL Playoffs

CONFERENCE FINALS
SATURDAY'S RESULT

Florida 2 1 2—5
Pittsburgh 0 0 1—1

First Period: F-Lowry 8, (pp). 2, F-Fitzgerald 1 (Mellanby, Svehla) Second Period: F-Fitzgerald 2 (Warrener, Mellanby) Third Period: P-Miller 2 (Roche, Tamer) 5, Florida, Lowry 9 (Barnes, Sheppard) 6, F-Mellanby 2 (Laus, Niedermayer) (pp). Shots on goal: F- 11-7-7—25. P- 14-7-12—33. Goalies: F-Vanbiesbrouck. P-Wregget.
(Florida leads series 1-0).

SOCCER

GERMAN BUNDESLIGA

Hansa Rostock 0, Cologne 1
Borussia Dortmund 3, Freiburg 2
Borussia Moenchen. 0, 1860 Munich 2
St. Pauli 0, Uerdingen 2
VfB Stuttgart 3, Karlsruhe 1
Eintracht Frankfurt 1, Hamburg 4
Bayern Munich 2, Fortuna Duesseldorf 2
Bayer Leverkusen 1, Kaiserslautern 1
Werder Bremen 1, Schalke 2

FINAL STANDINGS: Borussia Dortmund 68; Bayern Munich 62; Schalke 56; Borussia Moenchengladbach 53; Hamburg 50; Hansa Rostock 49; Karlsruhe 48; 1860 Munich 45; Werder Bremen 44; VfB Stuttgart 43; Freiburg 42; Cologne 40; Fortuna Duesseldorf 40; Bayer Leverkusen 38; St. Pauli 38; Kaiserslautern 36; Eintracht Frankfurt 32; Uerdingen 26.

FRENCH FIRST DIVISION

Auxerre 2, Nantes 1
Le Havre 1, Lens 1
Lille 0, Bordeaux 2
Lyon 1, Cannes 0
Martigues 2, Guingamp 1
Metz 1, Gueugnon 2
Nice 2, St Etienne 0
Paris St Germain 5, Bastia 1
Rennes 2, Monaco 3
Strasbourg 1, Montpellier 0

FINAL STANDINGS: Auxerre 72 points; Paris-SG 68; Monaco 68; Metz 65; Lens 63; Montpellier 60; Nantes 55; Rennes 54; Guingamp 53; Strasbourg 51; Lyon 48; Nice 45; Le Havre 45; Cannes 44; Bastia 44; Bordeaux 42; Lille 39; Gueugnon 38; St Etienne 34; Martigues 34.

SPANISH FIRST DIVISION

Tenerife 1, Atletico Madrid 1
Real Madrid 4, Merida 0
Real Sociedad 2, Athletic Bilbao 2

ITALIAN CUP
FINAL, SECOND LEG

Fiorentina 2, Atalanta 2
(Fiorentina won 3-0 on aggregate).

SCOTTISH CUP
FINAL

Rangers 5, Hearts 1

PORTUGUESE CUP
FINAL

Benfica 3, Sporting 1

SWISS CUP
FINAL

Sion 3, Servette 2

WORLD CUP QUALIFYING
CARIBBEAN ZONE
SECOND ROUND, SECOND LEG

Haiti 1, Grenada 0
(Haiti win 7-1 on aggregate and meet Cuba in third round).

MAJOR LEAGUE SOCCER

Tampa Bay 3, San Jose 2
Dallas 3, D.C. 2

STANDINGS: Eastern Conference—Tampa Bay 15; Columbus 9; D.C. & NY-NJ 5; New England 4. Western Conference— Los Angeles 15; Dallas 14; San Jose 9; Kansas City 7; Colorado 6.

INTERNATIONAL FRIENDLY

England 3, Hungary 0

TENNIS

ITALIAN OPEN
IN ROME
QUARTERFINAL

Thomas Muster (1), Austria, def. Marcelo Rios (7), Chile, 6-3, 6-2.

SEMIFINALS

Richard Krajicek, Netherlands, def. Wayne Ferreira (6), South Africa, 6-3, 6-3; Muster def. Alberto Costa (11), Spain, 6-3, 3-6, 6-4.

FINAL

Thomas Muster (1), Austria, def. Richard Krajicek, Netherlands, 6-2, 6-4, 3-6, 6-3.

RED CLAY CHAMPIONSHIPS
IN CORAL SPRINGS, FLA.
QUARTERFINALS

Magnus Gustafsson (3), Sweden, def. Vince Spadea, U.S., 6-4, 6-0; Chris Woodruff, U.S., def. Richard Fromberg, Australia, 6-4, 6-4; Javier Frana (4), Argentina, def. Michael Tebbutt, Australia, 6-4, 6-4; Jason Stoltenberg (7), Australia, def. Sandon Stolle, U.S., 6-4, 6-4.

SEMIFINALS

Stoltenberg def. Gustafsson 6-3, 3-6, 6-2; Woodruff def. Frana 6-4, 6-2.

GERMAN OPEN
SEMIFINALS

Steffi Graf (1), Germany, def. Iva Majoli (3), Croatia, 7-5, 6-1; Karina Habsudova, Slovakia, def. Elena Likhovtseva, Russia, 6-1, 7-6 (7-4).

FINAL

Steffi Graf (1), Germany, def. Karina Habsudova, Slovakia, 4-6, 6-2, 7-5.

AUTO RACING

Monaco Grand Prix

Leading results Sunday from the Monaco Grand Prix in Monte Carlo: 78 laps of the 3.328-kilometer (2.068-mile) street circuit — 248.8 kilometers (156.1 miles) — with driver, country, car, time, leader's speed and laps completed. (Race scheduled for 78 laps; stops after two hours): 1, Olivier Panis, France, Ligier-Mugen-Honda, 75 laps, 2 hours, 45.6629 seconds, 124.014 kph (77.075 mph); 2, David Coulthard, Britain, McLaren-Mercedes, 75, 4.428 seconds behind; 3, Johnny Herbert, Britain, Sauber-Ford, 75, 37.5 seconds behind; 4, Heinz-Harald Frentzen, Germany, Sauber-Ford, 74; 5, Mika Salo, Finland, Tyrrell-Yamaha, 70; 6, Mika Hakkinen, Finland, McLaren-Mercedes, 70; 7, Eddie Irvine, Britain, Ferrari, 68.

Drivers' Standings (After six of 16 races): 1, Damon Hill, Britain, 43 points; 2, Jacques Villeneuve, Canada, 22; 3, Michael Schumacher, Germany, 16; 4, Panis 11; 4, (tie) Jean Alesi, France, 11; 6, Coulthard 10; 7, Irvine 9; 8, Gerhard Berger, Austria, 7; 8 (tie), Rubens Barrichello, Brazil, 7; 10, Mika Hakkinen, Finland, 6.

Constructors' Standings: 1, Williams-Renault, 65 points; 2, Ferrari, 25; 3, Benetton-Renault, 18; 4, McLaren Mercedes, 16; 5, Ligier Mugen Honda, 11; 6, Jordan Peugeot, 8; 7, Sauber-Ford 7; 8, Tyrrell Yamaha, 5; 9, Footwork Hart, 1.

CYCLING

Tour of Italy

Leading results Saturday of the first stage of the Tour of Italy cycling race, 170-km (105.4 miles) from and back to Athens, Greece: 1, Silvio Martinello, Italy, Saeco, four hours, 2:58 minutes; 2, Fabrizio Guidi, Italy, Scrigno Blue Storm, same time; 3, Stefano Zanini, Italy, Gewiss Playbus, s.t.; 4, Zbigniew Spruch, Poland, Ceramiche Panaria Vinavil, s.t.; 5, Mario Traversoni, Italy, Carrera Blue Jeans, s.t.; 6, Glenn Magnusson, Sweden, Amore e Vita, s.t.; 7, Giovanni Lombardi, Italy, Team Polti, s.t.; 8, Adriano Baffi, Italy, Mapei GB, s.t.; 9, Mirko Rossato, Italy, Scrigno Blue Storm, s.t.; 10, Marco Vergnani, Italy, Amore e Vita, s.t.

Leading results Sunday in the second stage, 143 miles from Eleusina to Navplion, Greece: 1, Glenn Magnusson, Sweden, Amore & Vita, 6 hours, 39 minutes, 46 seconds, or 35.271 kph; 2, Stefano Zanini, Italy, Gewiss Playbus, same time; 3, Angel Edo, Spain, Kelme Artiach, s.t.; 4, Mario Manzoni, Italy, Roslotto ZG Mobili, s.t.; 5, Mario Traversoni, Italy, Carrera Blue Jeans, s.t.; 6, Giovanni Lombardi, Italy, Team Polti, s.t.; 7, Gabriele Missaglia, Italy, Ceramiche Panaria Vinavil, s.t.; 8, Fabrizio Guidi, Italy, Scrigno Blue Storm, s.t.; 9, Mirko Rossato, Italy, Scrigno Blue Storm, s.t.; 10, Martin van Steen, Netherlands, TVM, s.t.

Leading Overall Standings: 1, Martinello 10 hours, 42 minutes, 26 seconds; 2, Zanini 4 seconds behind; 3, Magnusson & 4, Guidi 10; 5, Fabrizio Bontempi, Italy, Brescialat, 10; 6, Daniele Contrini, Italy, Brescialat, 12; 7, Edo 14; 8, Rossato 16; 9, Traversoni 18; 10, Lombardi 18.

GOLF

International Open

Leading scores Sunday after the final round of the 700,000-pound (dlrs 1.05 million) Benson and Hedges International at the par-72, 7,205-yard Oxfordshire Golf Club in Thame, England:

S. Ames, Trinidad	73-71-67-72—283
Jon Robson, England	70-70-71-73—284
D. Cooper, England	71-70-70-74—285
A. Coltart, Scotland	77-67-68-75—287
R. Drummond, Scot.	73-69-70-75—287
M.A. Jimenez, Spain	68-70-74-76—288
W. Riley, Australia	73-71-67-77—288
P. Lawrie, Scotland	71-71-73-73—288
C. Montgomerie, Scot.	72-68-67-84—291
Pierre Fulke, Sweden	74-71-68-78—291
Stuart Cage, England	73-70-71-77—291
R. Boxall, England	76-72-70-74—292
B. Langer, Germany	69-71-73-79—292

RUGBY

SUPER 12 RUGBY UNION
SEMIFINALS

Auckland Blues 48, Northern Transvaal 11

Scorers: Auckland — Tries: Jonah Lomu (2), Sean Fitzpatrick, Adrian Cashmore, Joeli Vidiri, John Ngauamu, Robin Brooke, Ofisa Tonu'u. Conversions: Cashmore (4); Northern Transvaal — Try: Conrad Breytenbach. Penalties: Jannie Kruger (2).

Natal 43, Queensland 25

Scorers: Natal — Tries: Cabous Van Der Westhuisen (3), Andre Joubert (2), Wickus Van Heerden, Jeremy Thomson. Conversions: Henry Honiball (2), Joubert (2); Queensland — Tries: Michael Foley, Tim Horan. Penalty try. Conversions: John Eales (2). Penalties: Eales (2).

PACIFIC RIM CHAMPIONSHIP

Hong Kong 33, Japan 9
Canada 24, United States 20

FOOTBALL

World League Standings

	W	L	Pct.	PF	PA
x-Scotland	4	1	.800	102	63
Frankfurt	4	1	.800	137	101
Amsterdam	3	3	.500	162	125
Barcelona	3	3	.500	120	147
London	1	4	.200	67	118
Rhein	1	4	.200	82	106

x-clinched World Bowl berth

SATURDAY'S RESULT

Amsterdam 48, Barcelona 14

TRANSITIONS

BASEBALL
AMERICAN LEAGUE

BALTIMORE—Put 3B B.J. Surhoff on 15-day disabled list. Recalled OF Mark Smith from Rochester, IL.

CALIFORNIA—Claimed LHP Brad Pennington off waivers from Boston. Optioned RHP Dennis Springer to Vancouver, PCL.

NEW YORK—Recalled INF Matt Howard from Columbus, IL. Optioned INF Robert Eenhoorn to Columbus. Put LHP Jimmy Key on 15-day disabled list. Recalled Eenhoorn from Columbus.

THE WEEK AHEAD

MONDAY, MAY 20

TENNIS, Edinburgh — World Doubles Cup, through May 22; Duesseldorf, Germany — World Team Cup, through May 26; St. Poelten, Austria — International Grand Prix, through May 26; Madrid — Ford International Championships of Spain, through May 26; Strasbourg, France — Strasbourg International, through May 26; Istanbul — Euro/African Zone, Group A, Davis Cup, through May 26.

TUESDAY, MAY 21

SOCCER, Leverkusen, Germany — exhibition, Germany vs. All-Star Team (Rudi Voeller's farewell game).

WEDNESDAY, MAY 22

SOCCER, Rome — UEFA European Champions Cup Final, Juventus vs. Ajax; Sarajevo — exhibition, Bosnia-Herzegovina vs. Croatia; various sites — Copa Libertadores, Quarterfinals, Second Leg: America vs. Junior; Gremio vs. Corinthians; San Lorenzo vs. River Plate; Barcelona vs. Universidad de Chile.

THURSDAY, MAY 23

CRICKET, London, England — one-day international, England vs. India.

SOCCER, Shizuoka, Japan — exhibition, Kirin Cup, Mexico vs. Yugoslavia; Beijing — exhibition, China vs. England.

GOLF, Potomac, Maryland — Kemper Open, through May 26.

FRIDAY, MAY 24

GOLF, Virginia Water, England — Volvo (European) PGA Championship, through May 27.

SATURDAY, MAY 25

FOOTBALL, Duesseldorf, Germany — WLAF, Rhein Fire vs. Barcelona Dragons.

CRICKET, Leeds, England — one-day international, England vs. India.

SOCCER, Doha, Qatar — exhibition, Qatar vs. Russia.

RUGBY, TBA — Super 12, Final (or May 26).

SUNDAY, MAY 26

FOOTBALL, Edinburgh — WLAF, Scottish Claymores vs. Frankfurt Galaxy.

CRICKET, Manchester, England — one-day international, England vs. India.

SOCCER, Tokyo — exhibition, Kirin Cup, Japan vs. Yugoslavia; Ashgabat, Turkmenistan — Asian Cup, qualifying, Group 10, Turkmenistan vs. Lebanon; Minsk, Belarus — Belarus vs. Azerbaijan; Santiago, Chile — Chile vs. Bolivia; New Britain, Connecticut — U.S. vs. Scotland.

SPORTS

Jazz Looks Lackluster As Sonics Win by 30

By Scott Howard-Cooper
Los Angeles Times Service

SEATTLE — Several members of the Utah Jazz finally took a rest Saturday. Unfortunately, they did so during Game 1 of the Western Conference finals.

The Jazz had played Tuesday night in San Antonio and Thursday night in Salt

NBA PLAYOFFS

Lake City, emotional games both, and then come to Seattle. They were a tired bunch and they played like it.

The Jazz were thrashed by the Seattle SuperSonics, 102-72, before 17,072 at KeyArena, as Shawn Kemp had 21 points and 11 rebounds and Gary Payton dominated John Stockton. It was the worst playoff loss in Utah's history.

"I really don't know what to say," Seattle coach George Karl said. "It was a shocking game to me. I didn't think that would happen. It's very tough to beat a team like Utah by that much."

The SuperSonics shot 54.7 percent overall and 50 percent — 10 of 20 — on three-point shots. They e did a great defensive job on Stockton, holding him to seven assists and four points on two-of-10 shooting in 32 minutes.

Payton, the league's defensive player of the year, gave an impressive showing even by his high standards. The shots Stockton did get were often off-balance or to beat the 24-second clock and he was consistently denied penetration, taking away a valuable Utah weapon.

Sometimes Stockton never even got into position to drive and dish. The SuperSonics often double-teamed him just after he crossed halfcourt, a trap that forced the ball out of Stockton's hands and hindered the Jazz.

"It was just one of those days," Payton said. "He wasn't clicking. We didn't do anything different. We didn't do anything special."

Jerry Sloan, the Jazz coach said: "It looked like there were 10 guys guarding us."

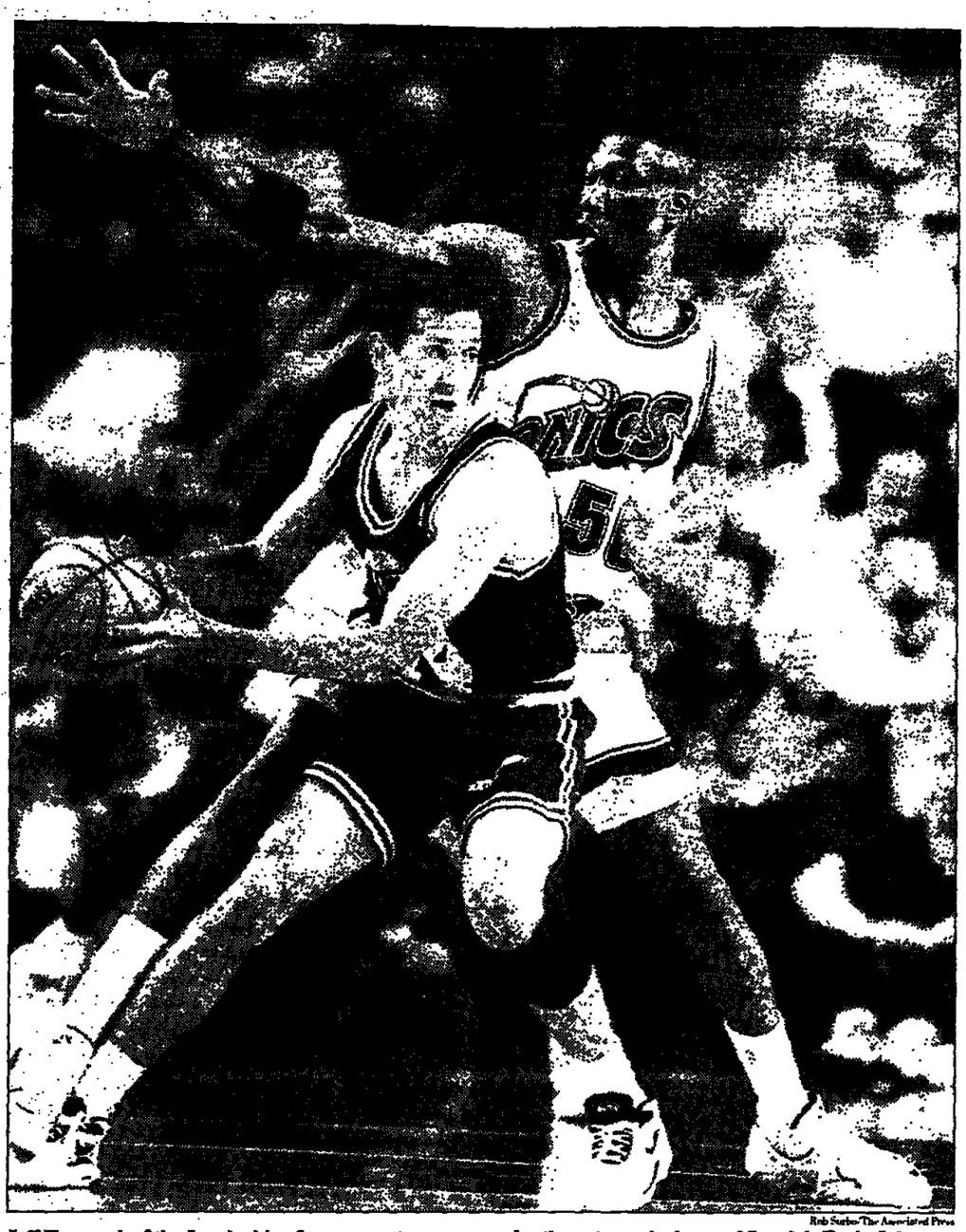
Then there was that stretch when it looked like there were 10 guys rebounding against them. Late in the first half Seattle led 47-39 when Utah started to crumble. Seattle's Detlef Schrempf made his first free throw, then missed the second, but Kemp grabbed the rebound. Kemp was hammered by Antoine Carr as he went up, but made the shot and went to the line. He missed, but Ervin Johnson got the offensive board, tipping Kemp's shot back in and finishing what had become a five-point possession. Five points in five seconds that became a 52-39 cushion and the last anyone saw of the Jazz.

"I told the guys they looked like robins in the nest with their mouths open, waiting for balls to drop in them," Sloan said.

Stockton added: "I don't know if we even had time to be frustrated. It just happened."

At halftime, the SuperSonics' rebounding edge was 24-8. It got closer from there — Seattle finished with a 39-34 advantage on the boards — but the game never did, with the lead reaching 24 points midway through the third quarter and 32 late in the fourth.

Karl Malone (33) and Stockton (32) were the only two Jazz to play more than 30 minutes, making official what had already been apparent. Most of their teammates took the day off.



Rob Sachs/The Associated Press

Jeff Hornacek of the Jazz looking for an open teammate under the outstretched arm of Seattle's Ervin Johnson.

No-Name Panthers Greet Penguins, 5-1

Vanbiesbrouck Stars as Florida Takes Lead in Conference Finals

The Associated Press

PITTSBURGH — The Florida Panthers are a mostly anonymous cast of characters — no Lindros or Messier, just guys named Fitzgerald and Murphy. But the Pittsburgh Penguins know the no-names now.

John Vanbiesbrouck frustrated the Penguins, Tom Fitzgerald finished them off with two goals and the Panthers

NHL PLAYOFFS

seized the lead in the Eastern Conference finals with a 5-1 victory Saturday night.

"We have a lot of heroes every night," Fitzgerald said. "A different guy comes up every night. That's what the Florida Panthers are all about."

Vanbiesbrouck, the Panthers' biggest star in the third-year franchise's surprising playoff run, stopped 32 of 33 shots for his first victory in six career playoff starts against the Penguins.

Pittsburgh failed to get a goal from either Mario Lemieux or Jaromir Jagr for the first time in 12 playoff games and only the fourth time all season.

"Johnny had to make huge saves because they got some room in situations with some of the stars they have," said Panthers coach Doug MacLean.

Dave Lowry scored a power-play goal with 1:52 gone, supplying the early momentum that allowed Vanbiesbrouck to constantly turn aside the Penguins' platoon of big-name scorers. Lowry added his ninth of the playoffs — he had only 10 during the season — to make it 4-1 at 15:41 of the third.

The Pantherconfounded Pittsburgh with the same low-risk defensive scheme that confused its previous playoff victims: Boston and Philadelphia.

The Penguins are 6-10 in playoff openers since 1991, but won seven of the nine series in which they lost the opener. "We always lose the first game," Jagr said. "So the next game is a very important game."

Lemieux, who scored eight goals in Pittsburgh's five-game elimination of the New York Rangers during the second round, had his seven-game goal-scoring streak stopped.

Vanbiesbrouck "made some saves that were unbelievable," said Penguins coach Eddie Johnston. "We had great scoring chances early, and when you get them against a defense like that, you've got to bury them."

Lemieux had three excellent chances in the first period, one 35 seconds into the game and another on a shorthanded breakaway, but the Penguins missed on all 14 shots in the period.

"It was a giant turning point," Scott Mellanby said of Lemieux's breakaway. "He doesn't miss on breakaways very much."

Fitzgerald — a star of the New York Islanders' 1993 playoff upset of Pittsburgh — later scored twice to make it 3-0. Kevin Miller scored Pittsburgh's only goal at 7:03 of the third, but Petr Nedved floated a shot by the net about a minute later that would have cut the Florida lead to a goal.

Mellanby added a power-play goal at 18:48 of the third for the Panthers, who were only two-for-29 with the man advantage against Pittsburgh during the season.

Florida's defense wasn't as suffocating or as conservative as it was in the first two rounds and Lemieux and Jagr, playing together on almost every shift, frequently operated in open patches of ice. But the Penguins' big guns seemed rusty after a week's layoff — their longest of the season.

"That just might be a bad excuse," Penguins forward Tomas Sandstrom said of the layoff. "They played well and we weren't ready for them."

Penguins goaltender Ken Wregget played only his second bad game since replacing Tom Barrasso midway through a first-round series against Washington. Florida, playing on three days' rest, needed only one shot to score.

With Brad Lauer off for a four-minute high-sticking penalty, Lowry's shot from the right faceoff dot ricocheted off Sergei Zubov's skate to the left of the crease and into a corner of the net at 1:52.

With Pittsburgh constantly missing good scoring chances, Fitzgerald backhanded Mellanby's pass by Wregget at 16:11. He added his fifth career playoff goal, and fourth against Pittsburgh, at 7:12 of the second period.

The Panthers, who didn't exist when Pittsburgh last reached the conference finals in 1992, have a 15-5 first period scoring advantage in their 12 playoff games.

Braves Continue to Dominate Reds

The Associated Press

Fred McGriff hit the 300th homer of his career and John Smoltz became the first nine-game winner in the majors on Sunday, leading the Atlanta Braves to a 9-5 victory over the Cincinnati Reds.

Marquis Grissom led off with a home run, and the Braves beat the Reds for the 11th straight time, including a four-game sweep in last year's playoffs.

McGriff, on pace for the best season of his brilliant career, went 4-for-4 with two doubles and four RBIs, capping off the day with a seventh-inning, two-run homer that brought him the personal milestone. He became the 71st player to reach 300 home runs.

Astros 4, Pirates 3 In Houston, Jeff Bagwell hit a two-out, two-run single, capping a seesaw ninth inning to rally Houston to victory over Pittsburgh.

Bagwell hit a two-run homer that gave Houston a 2-0 lead, and Astros rookie Donne Wall made that stand up, allowing only one runner through the first eight innings.

But Wall ran into trouble in the ninth when Keith Osik doubled and Garcia walked. Orlando Merced hit an RBI single with two outs, and Mark Johnson hit a two-run double on reliever Todd Jones' first pitch that put the Pirates ahead 3-2.

Houston came back. Orlando Miller and Brian Hunter singled with one out

NL ROUNDUP

and a single by John Cangelosi loaded the bases. Then Bagwell delivered his game-winning hit on a full count.

This was the fourth time Jones had blown a save and got with the win.

In games played Saturday:

Braves 2, Reds 1 Ryan Klesko, who had homered earlier, blooped a run-batted-in single with two outs in the eighth inning Saturday night to give the Atlanta Braves a victory. The score was tied 1-1 with two out in the eighth when Chipper Jones tripled, Fred McGriff walked and Klesko made the winning hit.

Mets 14, Giants 5 Todd Hundley hit two three-run homers, one from each side of the plate, and drove in a career-high seven runs for visiting New York.

Marlins 3, Cubs 2 In Chicago, Gary Sheffield and Charles Johnson hit homers for Florida. The Marlins, who outhit Chicago 13-3, won for the 10th time in 12 games.

Pirates 2, Astros 1 Jay Bell hustled home from second base on an infield single by Jason Kendall in the 11th inning to give the Pirates the victory.

Rockies 9, Cardinals 8 In Denver, John Mabry hit for the cycle for St. Louis, but pinch-hitter John Vander Wal's three-run homer capped a five-run Rockies rally in the ninth.

Dodgers 7, Phillies 2 In Los Angeles, Eric Karros hit a three-run homer and Mike Busch added a two-run pinch homer as Los Angeles beat Philadelphia for its fifth straight victory. Pedro Astacio allowed one run over six innings.

Expos 3, Padres 2 Ugueth Urbina worked six strong innings in his longest career outing and the Montreal Expos snapped a season-high, three-game losing streak by defeating San Diego.

Back-to-Back Homers Lift Red Sox Over A's

The Associated Press

Mo Vaughn and Jose Canseco hit consecutive home runs on Sunday to back Aaron Sele's pitching and lead the Boston Red Sox to a 12-2 victory over the Oakland Athletics.

Vaughn also singled in a run in the fourth inning to give him three runs batted in on the

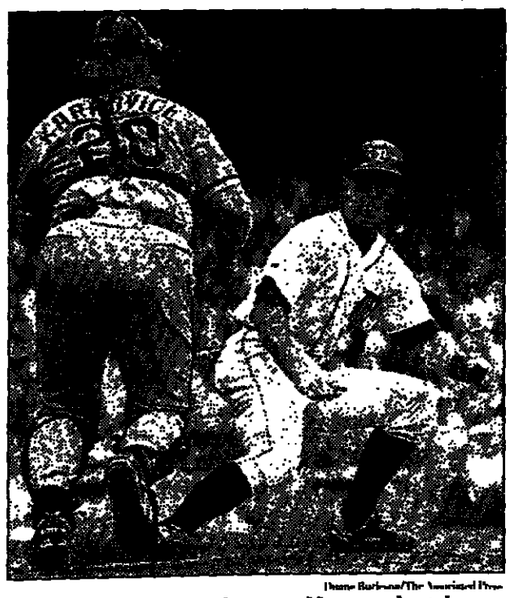
AL ROUNDUP

day. Vaughn, the reigning AL Most Valuable Player has four home runs in his last four games and eight in his last 11.

Sele allowed one run on five hits and two walks, striking out five in seven innings for his longest outing of the season. Don Wengert allowed six runs on seven hits in 3⅓ innings.

Boston took the lead in the second inning on Tim Naehring's RBI single, then made it 4-0 in the third when Vaughn hit a two-run homer and Canseco followed with his seventh solo shot of the year. It was the first time the Red Sox have hit consecutive homers this season.

The A's scored when Geronimo Berroa, Jose Herrera and Ernie Young all singled in the fifth. Boston made it 7-1 in the sixth when Naehring doubled, moved to third on a bunt and scored on Troy O'Leary's sacrifice fly.



Duane Burleson/The Associated Press

Detroit's John Flaherty is trapped in a run down by White Sox catcher Ron Karkovice who made the tag.

Angels 10, Yankees 1 Tim Salmon and Chili Davis hit consecutive home runs in the first inning as Chuck Finley and the California Angels broke a six-game losing streak.

Finley (5-2) struck out 10 and pitched a six-hitter. He escaped a bases-loaded, no-out jam in the first inning, and shut out the Yankees until Matt Howard's sacrifice fly with one out in the ninth. Rex Hudler and Jorge Fabregas also homered for the Angels.

Salmon hit a two-run shot and Davis followed with his eighth homer off Scott Kamieniecki. J.T. Snow added an RBI double for a 4-0 lead in the first inning.

Brewers 4, Twins 2 Steve Sparks stymied Minnesota with his knuckleball for 7⅔ innings, helping the Milwaukee Brewers to victory, their fourth straight. The loss was the third in a row for the Twins, who are 4-11 in their last 15 games.

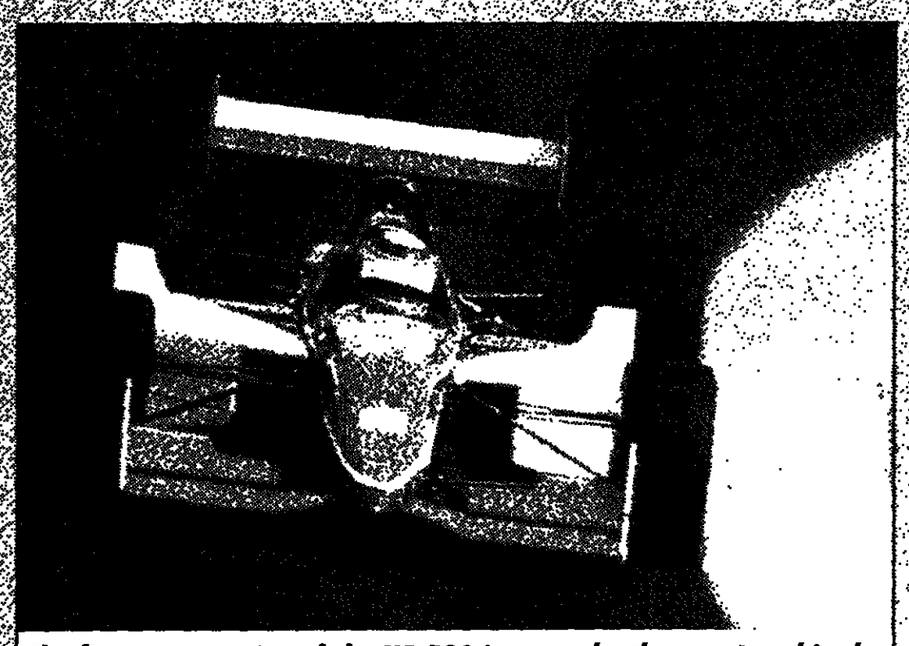
Sparks, gave up eight hits before being relieved by Marshall Boze with two outs in the eighth. Mike Fetters pitched the ninth for his fifth save. Rich Robertson (0-7) struck out a career-high 10 in his second complete game of the season. He allowed nine hits and only one earned run.

Indians 8, Rangers 5 Albert Belle extended his hitting streak to 20 games with a two-run single, helping Charles Nagy and the Cleveland Indians defeat Texas.

Belle's hitting streak is the longest of his career, and also the best in the majors this season. It is the longest string by an Indians player since Julio Franco's 22 straight in 1988.

Nagy (7-1) allowed five runs on nine hits in six innings. He struck out six in his fourth straight winning effort. Jim Poole, Julian Tavarez and Jose Mesa finished with scoreless relief. Mesa got his 17th save. Belle's single during a three-run fourth inning off Bobby Witt put Cleveland ahead 7-2.

THIS WEEK ON EUROSPORT



The first ever running of the US 500 is set to be the new jewel in the IndyCar crown; whose name will be in the record books as the first ever winner? Some of the worlds finest young footballers meet in France; will young stars of Brazil follow the senior team to victory?

IndyCar : 26 May, LIVE, The US 500, Brooklyn, Michigan.
Mark Blundell returns to the race track after his early season accident to contest IndyCar's biggest race of the year.

Football : 23 May - 3 June, LIVE, The Umbro Under 21 Cup of Toulon.
10 of the world's top under 21 teams meet in Toulon, the line-up includes Brazil, England, France and the Netherlands.

Tennis : 20 - 26 May, LIVE, The Peugeot ATP Tour World Team Cup, Düsseldorf.
The World Team Cup features many of the world's top players, Pete Sampras leads the Americans while Boris Becker heads the German challenge.

Motorcycling : 25 - 26 May, LIVE, The Italian Grand Prix, Mugello.
Italian hero Max Biaggi will be going flat out to win his home race for the second year running in the 250's as Mike Doohan looks for another win in the 500's.

Eurosport, the sports TV channel for Europe, covering the best action from Europe and around the world, is available throughout Europe, via cable and satellite.

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Herald International Tribune
SPORTS

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WORLD ROUNDUP

Cantona Left Out

SOCCER Eric Cantona, former captain of France's national team, has been left off the French squad for next month's European championships in England. Aime Jacquet, the French manager, picked Michael Madar of Monaco instead of the Manchester United player in the 22-man party.

David Ginola of Newcastle and Jean-Pierre Papin of Bayern were also omitted. Jacquet stuck with players who have put together a 20-match unbeaten run. *(Reuters)*

• Goalkeeper Bruce Grobbelaar, who faces match-fixing charges in England, was named Zimbabwe's assistant player-coach on Sunday. *(Reuters)*

Ukranian Wins 2 Golds

GYMNASTICS Lilia Podkopayeva won two more gold medals at the European women's gymnastics championships Sunday. The Ukrainian, crowned all-round champion Saturday, won the uneven parallel bars and floor finals. Romania's Simona Amanar also took two golds, sharing the uneven-bars title in a rare three-way tie with Podkopayeva and Svetlana Khorkina of Russia. *(Reuters)*

Swede Takes Giro Sprint

CYCLING Glenn Magnusson of the Amore and Vita team won the second stage of the Giro D'Italia in Greece on Sunday. Magnusson won the sprint at the end of the 231-kilometer (143 mile) leg from Elefsia to Nafpaktos, beating Stefano Zanini of the Gewiss team by a bike length. Silvio Martinello of Italy and the Saeco team won a six-second sprint bonus to keep the overall lead. *(Reuters)*

Trinidad Triumphs

BOXING Undefeated Felix Trinidad of Puerto Rico knocked out Freddie Pendleton at one minute and 30 seconds of the fifth round Saturday in Las Vegas to retain his International Boxing Federation welterweight title. *(Reuters)*

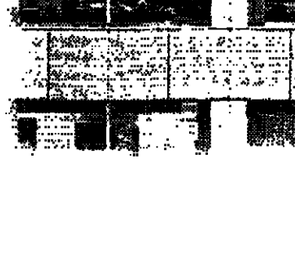
• Unbeaten Phillip Holiday of South Africa retained his IBF lightweight title when he stopped Australian Jeff Fenech in the second round in Melbourne. *(AP)*

Admirals Sail On

FOOTBALL Three defensive touchdowns gave the Amsterdam Admirals a 48-14 victory over the Barcelona Dragons Saturday in the World League of American Football. Kelly Sims, a cornerback, scored twice. *(AP)*

Blades Changes Plea

FOOTBALL Brian Blades, the Seattle Seahawks receiver who has been charged with the manslaughter of a cousin, has changed his plea to innocent. Blades' agent, said the player had first pleaded no contest to avoid dragging his family through a trial. *(AP)*



Reuters

France has unveiled its mascot for the 1998 World Cup, an unnamed blue rooster.



Alastair Grant/The Associated Press

Stephen Ames chipping to the second green on his way to victory Sunday.

Chill Wind Blows Stars Off Course As a Tropical Islander Stays Cool

Ames Shoots Par to Win His Second Tournament

By Ian Thomsen
International Herald Tribune

THAME, England — Winter returned to Britain, where it was probably invented just before golf was first played in Scotland.

It came home and so did Nick Faldo, in a white wool cap, along with world No. 2 Colin Montgomerie, wearing thick winter gloves between shots, and Ian Woosnam, looking more like an Austrian ski teacher in his red sweater. Bernhard Langer of Germany, compared to the others, seemed almost at home.

All four were in contention on the final day for the Benson & Hedges International Open. But on the windiest, coldest golfing day of the year, the first big European tournament went to someone from Trinidad and Tobago.

His name was Stephen Ames, and he alone among the 65 golfers Sunday shot par 72. In all, 34 players — more than half of the field — shot in the 80s.

Montgomerie, having started the day at nine-under with a three stroke lead over Woosnam, shot 84, including a two-stroke penalty for kicking sand.

Woosnam shot 82, Faldo 80. Langer 79. From last fall's victorious Ryder Cup team, the low Europeans were Sam Torrance and Seve Ballesteros, who should have been satisfied with the 77s that left them at four-over and eight-over, respectively.

Ames, 32, needed a 10-foot (3 meter) putt for par at 18 to save his second European title, his other coming at the little-known Open V33 in 1994. His grandmother was the Trinidad and Tobago champion 20 times before moving to England. Ames had played college golf in Florida which, barring the occasional hurricane, would not have prepared him for this weekend.

Yet he seemed to be the only one not being pushed around as he birdied the 11th, 12th and 14th holes to surge past the swiftly-decomposing Montgomerie and open a two-stroke lead over Jon Robson, who was playing one group ahead.

All was fine until Ames splashed his second shot into the concrete-gray lake at No. 17, a par-five that had extorted 13 shots from Padraig Harrington on Friday. The best Ames could do was a double-bogey to fall back into a tie at five-under with Robson.

Robson, a 28-year-old Englishman who had never done better than fourth on the PGA European Tour, found two bunkers at 18 and had to sink an emotional 10-footer downhill just to save bogey for 73, leaving him at four-under.

THIS LEFT Ames needing to two-putt over a monstrous distance and two mounds with the 40 miles-per-hour winds doing whatever they were going to do.

He took off his black jacket and matching ski cap, thought warm, homely, island thoughts, and left himself a 10-foot uphill putt for the £116,660 ($176,500) title — which he abruptly converted, against the run of everyone else's day.

You had to dig down through the likes of Derrick Cooper, in third place at three-under, Andrew Coltart and Ross Drummond (each one-under), Wayne Riley, Paul Lawrie and Miguel Angel Jimenez (even) before reaching the glowering, stiffening specter of Montgomerie, who was tied for ninth at three-over.

Just 24 hours earlier, Montgomerie, along with Ames, had equaled the course record of 67 whereupon he compared his three-stroke lead to the six which had ultimately been wasted last month by Greg Norman.

"This lead is nothing," Montgomerie had said, as if by discussing the worst scenario he could prevent it from happening.

He birdied the second, a par-three, off of a spectator's head, calling for an ambulance before sinking the putt and giving her the ball. So everything was fine. He watched Woosnam stride unerringly toward a front-side 42 and never dreamed it would happen to him. It began happening with a bogey at the sixth and he could birdie or par only three of the remaining holes.

The Oxfordshire, an American-style course of 7,205 yards, was opened three years ago on top of a hill, which is a nice idea in, say, August.

"The trouble is it's so exposed, no trees, no bushes, no houses," Langer said. "Also, they were very tough pins, always on the high side of the greens, the side where the wind was blowing."

Langer (four-over) said that several times his ball was blown across the green. Thomas Levet of France (82 to finish at 14-over) said his approach to the seventh hole, which should have allowed him a short putt for birdie, was blown 38 yards from the hole. He bogeyed.

"I aimed my putt eight inches to the left and it finished seven feet to the right," said Faldo, who landed at four-over along with Woosnam. "I don't know when I last played on a day like this. I did hit three drives of 390 yards; that was fun. But I also hit a couple of only 210 yards."

He moved to the U.S. Tour in part to escape such conditions, yet Faldo claimed that American officials probably would have continued with play under such conditions.

"In the States this is a small-craft advisory day," he said.

Panis Finishes First Of Three in Grand Prix

The Associated Press

MONTE CARLO — Olivier Panis of France won a wet and wild Monaco Grand Prix on Sunday in which only three of the 22 cars that started the race finished.

Michael Schumacher of Germany, who started in pole position, crashed on the first lap. Damon Hill of Britain, winner of four of the first five Grand Prix races this season, went out of the race when his Williams-Renault blew an engine while he was comfortably in the lead. Jean Alesi of France dropped out with tire trouble.

It was the first career victory for Panis and the first for Ligier-Mugen-Honda since 1981, when Jacques Laffite of France won the Canadian Grand Prix.

"I'm delighted to win for Ligier," Panis said. "That's what I am here for and that's what they wanted.

"We did a bold strategy at the start, running with a full tank," Panis said. "That means when I went in we didn't put in fuel, just for tires."

The race ended after 75 laps due to the two-hour time limit for Formula One races. The wet track slowed times by more than 20 seconds a lap for most of the first 25 laps of the scheduled 78.

David Coulthard of Britain, in a McLaren-Mercedes, placed second, 4.4 seconds behind Panis, and Johnny Herbert of Britain was third in a Sauber-Ford.

Heinz-Harald Frentzen of Germany was fourth in a Sauber-Ford, followed by two Finnish drivers: Mika Salo in a Tyrrell-Yamaha placed fifth and Mika Hakkinen sixth in a McLaren-Mercedes, although both were involved in accidents late in the race.

Schumacher's race lasted less than 50 seconds. On the hill down from the famed Loews curve, his Ferrari slid into the left rail, crunching his left tire against the rail. Schumacher later said he tried to drive the curve tight, something he had been trying to do in practice.

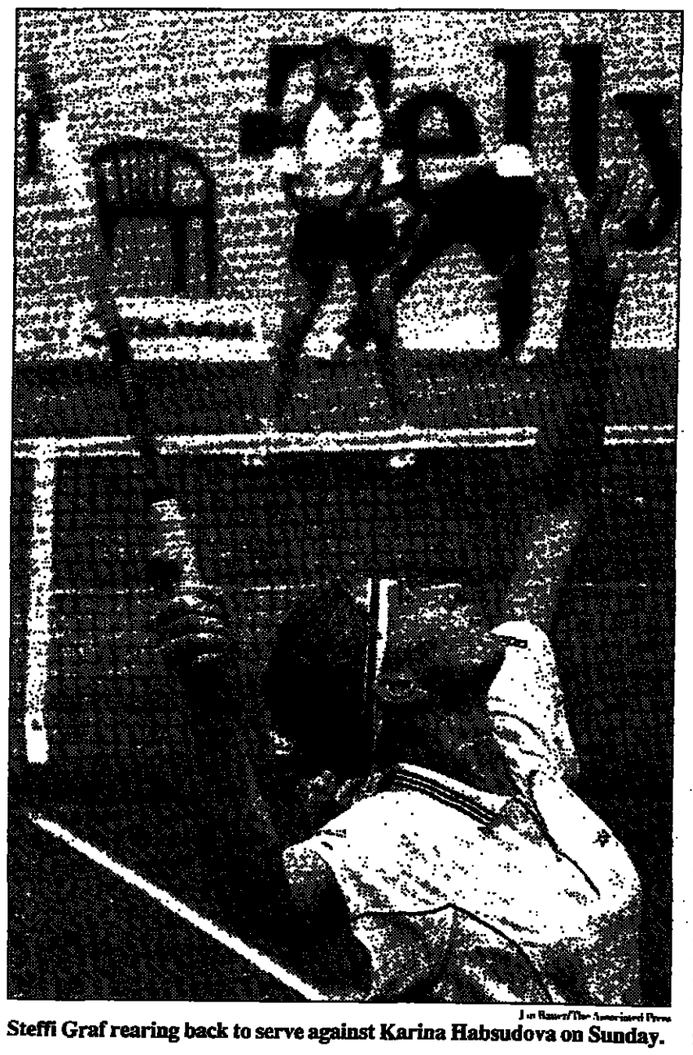
"It was a stupidity," he said. "It was a driving mistake. I am also capable of making mistakes."

The last time a Ferrari won at Monaco was in 1981. Schumacher had won the last two Monaco races, but in a different car. He had a Benetton-Ford in 1994 and a Benetton-Williams in 1995.

Hill's race lasted more than an hour. He led from the start except for a brief pit stop. When he went out of the race with his engine smoking coming out of the Loews tunnel, he had a 26-second lead. "I had a warning light for a lap before the engine blew," he said. "The engine seized up and I don't know what caused it to fail. We're all very disappointed."

Alesi took over the lead after 41 laps and went in for a routine tire change after 56 laps. But had to come back in three laps later because of trouble with his rear suspension. A lap later he stopped. That gave the lead to Panis, with Coulthard less than three seconds behind with 16 minutes left in the allotted time. "There was a lot of pressure at the end from David," Panis said. "Over the last few laps I kept saying, 'careful, careful' and tried to stay concentrated."

It rained hard about three hours before the start, changing the strategy of the teams, which were allowed an extra 15 minutes of practice on the wet track a little more than an hour before the start. A few teams took out backup cars to preserve the main cars.



Jon Super/The Associated Press

Steffi Graf rearing back to serve against Karina Habsudova on Sunday.

Muster Downs Kracijek for Italian Title

Reuters

ROME — Thomas Muster beat the unseeded Dutchman Richard Kracijek Sunday to retain his Italian Open title.

The top-seeded Austrian won 6-2, 6-4, 3-6, 6-3 in just over two hours on an overcast and blustery day at the clay-court Foro Italico to capture his third Italian title. Only two other men have won the title three times — Czech-born Jaroslav Drobny in the early 1950s and the Australian Martin Mulligan in 1963, 1965 and 1967.

Muster said Saturday: "People say Muster can't do this and can't do that but Muster can do a lot if he wants to."

Muster, ranked No.2 in the world behind Pete Sampras, was rarely in any trouble on a center court whose surface proved treacherous during the first set "It's never easy," Muster said after beating the 25th-ranked Dutchman. "There's nobody that comes along and says 'you won Rome last year and we'll let you win again.' "

■ Graf Wins in Berlin

Steffi Graf recovered from an uneven start to beat Karina Habsudova of Slovakia 4-6, 6-2, 7-5 in the final of the clay-court German Open on Sunday.

Inspired by a partisan crowd, Graf seemed to douse Habsudova's fire when she broke service at 5-5 in the third set. She then served out for the match.

The 22-year-old Slovak had started the match superbly, showing poise as she took the first set with a series of pinpoint shots down the lines. But she was unable to press home her advantage as Graf, who first won the tournament a decade ago, found her form.

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